(5) Motivating Work Environment (Securing of Human Resources, Human Resources Development, Training and DEI (Diversity, Equity and Inclusion), Etc.)

1. Basic Approach to Recruiting, Developing and Training Personnel

Since Hulic Reit is prohibited from hiring employees based on the provisions of the Act on Investment Trusts and Investment Corporations ("the Investment Trust Act"), it has no employees and mandates its asset management tasks to Hulic REIT Management. With the purpose of providing high-quality asset management services as Hulic Reit's asset management company under the corporate philosophy of "we can make an ongoing contribution to achieving a society with high levels of amenity and security." Hulic REIT Management aims to hire suitable personnel based on the business environment, operational status, and other factors, and it views improving employees(Note)' expertise as an essential issue.

Moreover, Hulic REIT Management has established initiatives for employees and officers as a key issue in its Sustainability Policy and materiality.

To gain a high degree of expertise on responsible businesses centering on real estate and financial businesses and develop and train personnel with flexible mindset and high ethical standards, Hulic REIT Management has created a framework for developing specialized personnel, including training programs and a system to support obtaining qualifications, and it promotes diversity and initiatives that enhance the well-being, safety, and comfort of employees in order to realize a rewarding work environment.

In order to forecast hiring needs and actively develop new pools of talent from outside the company, Hulic REIT Management also receives seconded employees with a high level of expertise in areas required to operate Hulic Reit, such as property acquisition, property management, finance, and IR, from its sponsor Hulic.

For more information about Hulic's employee-related initiatives, consult the following webpage:
https://www.hulic.co.jp/en/sustainability/social/employee/

(Note) Unless otherwise specified, employees include those seconded by Hulic Group, etc. The same applies hereinafter.

2. Specific Initiatives

Human Resources Development

■ Training Programs

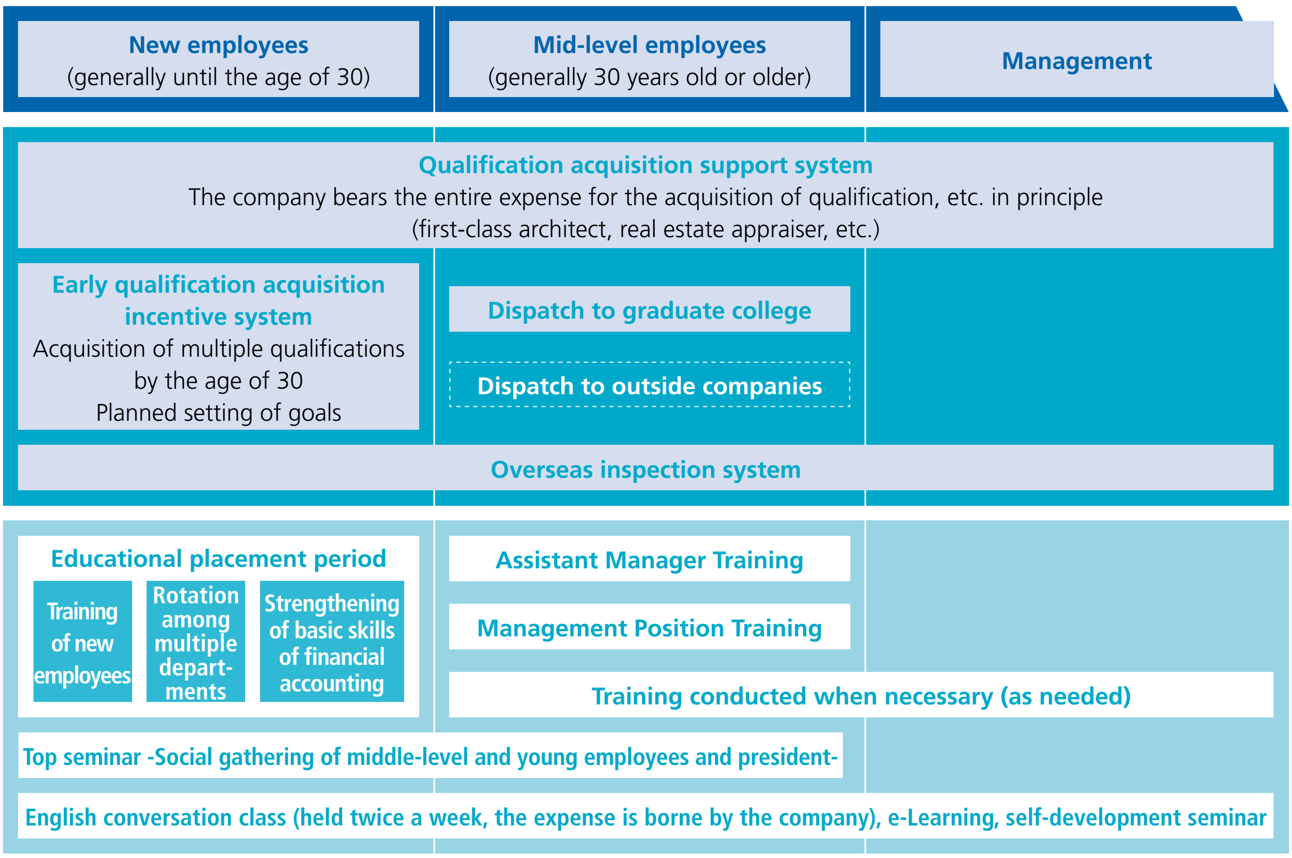
Hulic REIT Management supports individual efforts by employees to improve their expertise with the establishment of a training support system, such as full subsidization of the cost of participating in outside training by employees.

- **Theme-specific training**:
  Hulic REIT Management conducts sustainability training and compliance training for all employees (including also contract employees and temporary employees) several times throughout the year.
- **Development programs at multiple levels**:
  Hulic REIT Management conducts training for current managers (Training course name: Management Position Training (Training based on the theme of personnel and labor management, nurturing of human resources, etc.)) and training for potential manager candidates (Training course name: Assistant Manager Training (Training based on the theme of leadership, management, etc.)) to support them in gaining the management skills required by class of employees in the future.

- **Training by external educational institutions**:
  Since Hulic REIT Management is a member of the Association for Real Estate Securitization (ARES), all employees of the company (including also contract employees and temporary employees) may attend training workshops, seminars, lectures, and open seminars combining PR and education for workers offered by ARES.
- **Implementation of trainings by outside lecturers:**
  Hulic REIT Management conducts the following trainings by regularly inviting outside lecturers targeting all employees (including also contract employees and temporary employees).
  - Trend of ESG
  - Real estate market trend (rent and cap rate)

Employees seconded by Hulic participate in various training programs by class for gaining specialized skills and organizational management skills with Hulic's personnel training system. The overview of Hulic's personnel training system is as follows.

Overview of Hulic's personnel training system



[Training Hours and Costs at Hulic REIT Management (Note 1)]

Item	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Proportion of employees who participated in training (Note 2)	100%	100%	100%	100%	100%	100%	100%	100%
Annual training hours per employee (Note 3)	Approx. 9.6 hours	Approx. 7.0 hours	Approx. 8.5 hours	Approx. 6.8 hours	Approx. 10.6 hours	Approx. 6.4 hours	Approx. 6.0 hours	Approx. 11.1 hours
Annual training costs (Note 4)	272,000 yen	441,000 yen	387,000 yen	493,000 yen	372,000 yen	271,000 yen	228,000 yen	271,000 yen

(Note 1) The values indicated in this table were calculated for all employees, including contract employees and temporary employees.
(Note 2) This is calculated as follows: no. of employees among the employees on the books at the end of each fiscal year who participated in training that year ÷ no. of employees on the books at the end of that fiscal year.
(Note 3) This is calculated as follows: total no. of training hours in each fiscal year calculated for all employees on the books at the end of that year (including the time spent taking tests, etc., to verify the results of training) ÷ no. of employees on the books at the end of that fiscal year (the values are rounded off to the first decimal place).
(Note 4) This indicates the total amount of expenses recorded as training expenses, etc., by Hulic REIT Management in each fiscal year (rounded down to the nearest thousand).

■ Support for Obtaining Qualifications

Hulic REIT Management supports employees in obtaining professional qualifications, such as the Association for Real Estate Securitization (ARES) Certified Master (an educational program for systematic learning of practical specialized knowledge in the real estate and finance fields). A system in which the company bears the costs associated with taking training and examinations for obtaining various qualifications, retaining the qualifications, taking various seminars and other efforts to maintain and improve skill-sets is made available to all employees (Note). The following is the number of persons who have obtained professional qualifications or have passed the examinations (including those seconded by the sponsor group).

- ARES Certified Master: 17
- Real Estate Notary: 25
- Real Estate Appraiser: 2
- First-class architect: 1
- Certificate-holder Member of SAAJ: 2
- Certified Building Administrator: 8
- Second-class architect: 1

*As of June 30, 2025

(Note) Including those seconded by the sponsor group.

■ Personnel System

Hulic REIT Management has established the personnel rules for the purpose of developing the capabilities of employees and gathering and demonstrating their capabilities as an organization to achieve the management goals. It intends to improve business efficiency and promote communication with managers with the realization of fair and highly convincing treatment and the linkage between organizational goals and personal goals, with an aim to clarify the work and role of each employee as well as certainly achieve the management goals and issues and realize self-growth of employees through a system to properly evaluate the achieved results.
As for personnel evaluation, Hulic REIT Management aims to make highly convincing evaluation by adjusting the multi-grade evaluation and evaluation level throughout the entire company and giving feedback on the evaluation level to the employee himself/herself.
Hulic REIT Management incorporates sustainability factors into the annual performance assessment in the personnel evaluation of all employees and officers.

Periodic Career Interviewing Between Employees and Managers

For all employees (including also contract employees and temporary employees), Hulic REIT Management has a structure in place for well-communicated and transparent goal setting and evaluation feedback by conducting interviews (feedback on evaluation results, setting of goals for the next period) at the end of the period every six months between employees and their managers, and creating other opportunities to talk for employees to receive consultation on their career development, receive feedback on their performance, voice requests to the company and other matters.

Fiscal year	Percentage interviewed
Fiscal 2018 results	100.0%
Fiscal 2019 results	100.0%
Fiscal 2020 results	100.0%
Fiscal 2021 results	100.0%

Fiscal year	Percentage interviewed
Fiscal 2022 results	100.0%
Fiscal 2023 results	100.0%
Fiscal 2024 results	100.0%

Individual Interview with the President and CEO

Hulic REIT Management has been conducting an interview between all employees (including also contract employees and temporary employees) and the President and CEO once a year since fiscal 2020. In the interview, a wide range of dialogues on not only the future career vision but also the working environment and human relationship are conducted, and such interview contributes to the improvement of the working environment and the support to employees.

Fiscal year	Percentage interviewed
Fiscal 2020 results	100.0%
Fiscal 2021 results	100.0%
Fiscal 2022 results	100.0%

Fiscal year	Percentage interviewed
Fiscal 2023 results	100.0%
Fiscal 2024 results	100.0%

Work-Life Balance and Well-Being

Employee Satisfaction Survey (President Questionnaire)

As part of initiatives to build mutually good relationships between employees and the company, Hulic REIT Management conducts the President Questionnaire as a form of employee satisfaction survey of all employees (including also contract employees and temporary employees) every year (fiscal 2024: response rate of 100%). Along with pursuing realization of an employee-friendly environment, dialogue between each and every employee and top management is pursued on a regular basis. The overall satisfaction (average score for overall satisfaction on 5-point scale) was 3.86 in the "President Questionnaire" in fiscal 2024.

Hulic REIT Management implemented the following countermeasures based on the opinions given by the employees in the "President Questionnaire."

- Introduction of large display at each conference room
- Digitalization of materials (elimination of papers) at decision-making meetings such as the board of directors
- Introduction of in-house wireless LAN
- Introduction of free vending machines
- Introduction of office background music, etc.

Employee Benefits

Hulic REIT Management has set up the following range of employee benefit programs for all employees (Note 1) as part of initiatives for creating a work environment in which employees can continue to work healthily and with peace of mind.

[Examples of employee benefits]

- Leave, absence and flexible work hour arrangements for childcare (All employees including contract employees)
- Leave, absence and flexible work hour arrangements for nursing care (All employees including contract employees)
- Collaboration with welfare service providers (All employees including contract employees)
- Providing medical checkups that exceed legal requirements (All employees including contract employees)
- Investment unit ownership program for officers and employees (Note 2) (All employees including contract employees)
- Teleworking program (All employees including contract employees)
- Staggered shifts (All employees including contract employees)
- Holding Hulic Group social gathering (stand-up party) (once a year) (All employees including contract employees and temporary employees)
- Company retreat

(Note 1) Excluding those seconded by companies other than Hulic Group.

(Note 2) All directors, auditors, and executive officers of Hulic REIT Management and Hulic are eligible for and have the right to apply to join the investment unit ownership program for officers (including outsider directors and outside auditors, except for officers who are not remunerated), while all employees of Hulic REIT Management and Hulic are eligible for and have the right to apply to join the investment unit ownership program for employees. The company provides a certain amount of incentive against the amount of contribution to those who have joined the investment unit ownership program for employees. As of June 30, 2025, all full-time directors of Hulic REIT Management have joined the investment unit ownership program for officers..

The percentage of employees and officers of Hulic REIT Management who took medical checkups is as follows.

Item	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Percentage of those who took medical checkups	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Office Environment Improvements

With the relocation to the new office, Hulic REIT Management developed a work environment with greater consideration for the comfort of employees.

Hulic REIT Management established a common multi-purpose exchange space in the center of the office as well as counter and box seats to accommodate various scenarios, such as communication during in-house meetings, etc. or a refreshing lunch. At the adjoining cafeteria, vending machines and coffee makers can be used for free.

In addition, in order to support various work styles, Hulic REIT Management established soundproof spaces for web conferences and private rooms where individual employees can concentrate on their work.

Leave System

Hulic REIT Management has introduced the half-day leave system, refresh leave system for employees whose duration of service has reached a certain year, cumulative leave system that can be used by accumulating the expired annual paid leave for long-term care due to illness, etc., and special leave system such as volunteer leave, child leave and next-generation support leave (infertility treatment of the employee himself/herself) to enable each employee to maintain the balance between their life and work.

Item	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Percentage of employees taking paid leave (Note)	67.2%	70.8%	46.4%	56.9%	66.5%	75.3%	70.9%
Percentage of employees taking childcare leave (Note)	No eligible employees	100.0%	No eligible employees	No eligible employees	100.0%	100.0%	100.0%

(Note) Calculated in accordance with the standards specified by the Ministry of Health, Labor and Welfare.

Prevention of Long Working Hours

Hulic REIT Management promotes reduction of overtime work while increasing awareness on corrective measures to change long working hour culture and aiming to enhance productivity per hour. Hulic REIT Management is also simultaneously pursuing corporate infrastructure contributing to the enhancement of productivity, IT-related developments, office environment improvements, etc.

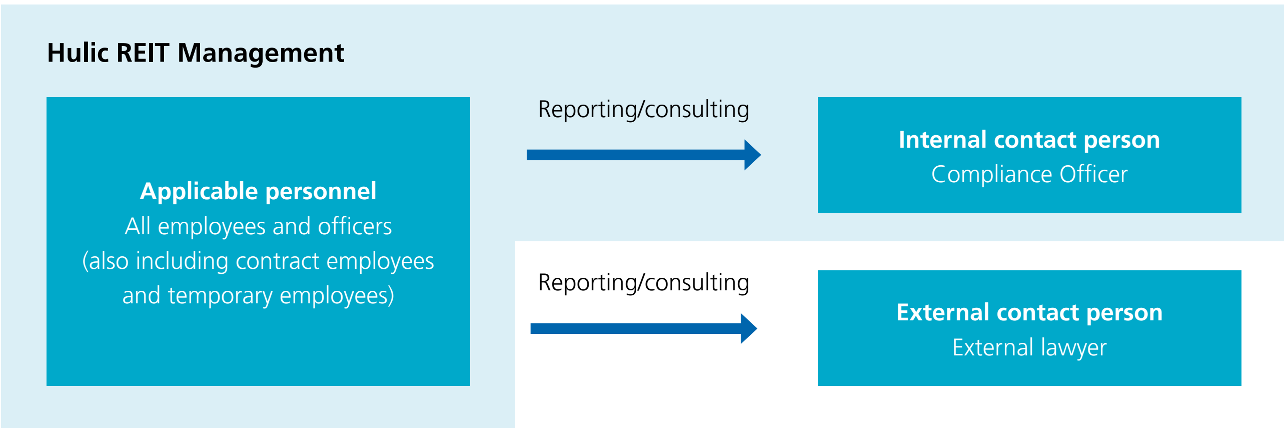
Item	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Average overtime work hours per person (hour/month, person) (Note)	19.4 hours	16.1 hours	19.4 hours	20.5 hours	16.3 hours	17.4 hours	18.1 hours

(Note) Calculated by targeting employees in non-managerial positions (including employees seconded by the sponsor). Overtime work within statutory working hours is not included.

Complaint and Consultation Counter for Employees

Hulic REIT Management established the Compliance Hotline open to employees and officers (including those who retired within the past year) (Note), with points of contact for consultation should there be any act suspected to be in violation of laws, regulations or corporate ethics and points of contact for consultation on harassment and human rights, establishing a structure for preventing risks and minimizing impact should such arise.
As points of contact for whistleblowing, there is not only the Compliance Officer as the internal point of contact but also an external attorney in place as an external point of contact, making it easier to report when correction is not made despite an anonymous whistleblowing, reporting or consultation and when there is reluctance toward consulting the Compliance Officer and such due to the nature of the problem. The external point of contact (attorney in charge) informs the internal point of contact and the head of the human resources department at the parent company about the details of the whistleblowing or consultation received, upon which the internal point of contact carries out an investigation of the facts and such as necessary and reports the findings to the attorney in charge. The attorney in charge provides feedback to the whistleblower or consulter based on the content of such.

If the investigation of the facts on the content of whistleblowing and consultation is decided to be implemented, the compliance officer (however, the President and CEO when the content of whistleblowing and consultation is about the compliance officer) shall implement the investigation as the responsible staff, and if violations of laws and regulations are revealed a result of the investigation, the responsible staff shall promptly take corrective measures (appropriate measures such as disciplinary action if necessary) and measures to prevent recurrence based on the Rules on Response to Accidents, Etc.
In addition, as a system to protect whistleblowers and consulters, it has been stipulated in the "Whistleblowing Rules" that these individuals shall not be subject to dismissal or disadvantageous treatment (disciplinary punishment, demotion, salary reduction, unpayment of retirement allowance, claim for damage, etc.) and appropriate measures (information management including the prevention of sharing outside the scope) must be taken in compliance with the Whistleblower Protection Act so that their work environment does not deteriorate because of their whistleblowing or consultation.
In addition, Hulic REIT Management can seek cooperation for the investigation of the facts on the content of whistleblowing and consultation to employees and officers, but shall not dismiss or give a disadvantage to the cooperator for cooperating in the investigation.
Employees and officers can use the whistleblowing and consultation counter to receive consultation on the whistleblowing system and disadvantageous treatment.



DEI (Diversity, equity and inclusion)

■ Breakdown of Employees of Hulic REIT Management

Hulic REIT Management respects the diversity (respecting each other's individuality and finding value in individuality), equity (fairly providing opportunities) and inclusion (accepting individuality as an organization and promoting participation) of employees and officers and enriches the lineup of personnel programs to match each and every employee's life stages and careers in order to realize an employee-friendly work environment. The lineup of various personnel programs such as child leave, nursing care leave and shorter working hours for nursing care has been established to enable employees to work with more peace of mind.

[Personnel Data for Hulic REIT Management (Note 1)]

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Average length of service (Note 2)	2 years 7 months	2 years 11 months	3 years 7 months	4 years 4 months	4 years 10 months	5 years 8 months	6 years 1 month
Female	3 years 1 month	3 years 9 months	4 years 3 months	5 years 2 months	5 years 5 months	6 years 5 months	6 years 8 months
Male	2 years 5 months	2 years 8 months	3 years 4 months	4 years 1 month	4 years 8 months	5 years 5 months	5 years 8 months
No. of departing employees	1 employee	0 employees	0 employees	1 employee	0 employees	1 employee	2 employees
Turnover rate (Note 3)	4.2%	0.0%	0.0%	3.8%	0.0%	3.3%	6.7%
No. of female employees (Note 4)	8 employees	7 employees	7 employees	7 employees	8 employees	8 employees	9 employees
Proportion of employees who are female (Note 5)	33.3%	26.9%	25.9%	26.9%	27.6%	26.7%	30.0%
No. of female employees in management positions (Note 6)	0 employees	3 employees	2 employees	2 employees	2 employees	2 employees	2 employees
Proportion of management positions occupied by female employees (Note 7)	0.0%	17.6%	11.8%	14.3%	11.8%	11.1%	11.8%
No. of new hires	5 employees	3 employees	1 employee	4 employees	3 employees	1 employee	3 employees
Female hires	1 employee	0 employees	0 employees	1 employee	1 employee	0 employees	1 employee
Proportion of employees who are female new hires (Note 8)	4.2%	0.0%	0.0%	3.8%	3.5%	0.0%	3.3%

(Note 1) The values indicated in this table were calculated for employees on the books at the end of each fiscal year (including contract employees).
(Note 2) This is calculated using the simple average length of service at the end of each fiscal year for the various employees (rounded down to the nearest month).
(Note 3) This is calculated as follows: no. of employees who left the company in each fiscal year ÷ no. of employees on the books at the end of that year (rounded off to one decimal place).
(Note 4) The number of female employees on the books at the end of each fiscal year is indicated.
(Note 5) This is calculated as follows: no. of female employees on the books at the end of a given fiscal year ÷ no. of employees on the books at the end of that year (rounded off to one decimal place).
(Note 6) The number of female employees in management positions at the end of each fiscal year is indicated.
(Note 7) This is calculated as follows: no. of female employees in management positions at the end of each fiscal year ÷ no. of management positions on the books at the end of that year (rounded off to one decimal place).
(Note 8) This is calculated as follows: no. of female new hires in each fiscal year ÷ no. of employees on the books at the end of that year (rounded off to one decimal place).

Other

■ Merger or Acquisition Since Fiscal 2014

Item	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Merger or acquisition	0	0	0	0	0	0	0	0	0	0	0

■ Layoffs Since Fiscal 2014

Item	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Layoffs	0	0	0	0	0	0	0	0	0	0	0