(3) Risk Management

1. Fundamental Approach to Risk Management

At Hulic Reit, we ourselves comply with the rules provided in the Investment Trusts Act and related laws and regulations for the various risks in investment and management. Hulic REIT Management, too, takes measures, such as establishing appropriate internal rules along with the necessary organizational structure and educating to raise the spirit of compliance among employees and officers.

2. Risk Management Structure

Establishment of Risk Management Rules and Risk Management Manual, and Putting Such into Practice

In order to appropriately manage various risks, Hulic REIT Management has established the Risk Management Rules and the Risk Management Manual containing provisions that serious risks shall be reported to the Board of Directors without delay should they arise.

BCP Measures

Hulic REIT Management established the Crisis Management Manual under the objective of specifically providing a basic policy on measures should there be a natural disaster, human-caused disaster or other state of emergency (hereinafter, "emergency"), code of conduct for employees and officers in the event of an emergency, etc. to minimize damages and maintain organizational functions through early restoration, thereby avoiding disruption, etc. at Hulic REIT Management and related parties as much as possible.
The Manual provides a series of actions from when an emergency arises to deciding on the policy on measures, etc. and completion of measures, and clarifies the decision-making body and the chain of command until the measures are decided according to the type of emergency, size of damage, scope of impact, etc. Crisis management drills are also held once a year or more as a check, such as of the validity of the Manual and for any points that can be improved, in efforts to continually enhance the effectiveness of the Manual.

Confirmation of the Safety of Employees and Officers

The Hulic Group has introduced a system for confirming safety via the internet, email, etc. to swiftly grasp the extent of damage and safety of employees and officers in the event of an emergency. Safety confirmation drills are also held once a year for all employees and officers of the Hulic Group.

Information Security

Recognizing that information assets are important corporate assets, Hulic Reit and Hulic REIT Management ensures that information assets are being appropriately managed and stored in accordance with internal rules, etc. We also have internal rules, etc. in place to appropriately act for proper utilization of information systems and prevention of system failure or cybersecurity threats.