

May 21, 2021

REIT Securities Issuer

Healthcare & Medical Investment Corporation (HCM)

3-3, Kanda-ogawamachi, Chiyoda-ku, Tokyo

Representative: Executive Director

Yuji Fujise
(Securities Code: 3455)

Asset Management Company

Healthcare Asset Management Co., Ltd.

Representative: President & CEO

Contact: Head of Financial

Management Division

Seiji Yoshioka

Atsumasa Furuya

TEL: +81-3-5282-2922

Notice Concerning Conclusion of a Green Lease Agreement

We would like to announce that Healthcare & Medical Investment Corporation (hereinafter, “HCM”) agreed on the green lease agreement with the tenant that lease a whole building of the paid nursing home (Paid nursing home-17 Kobe Gakuentoshi Building (Hapine Kobe Gakuentoshi)) on May 11, 2021.

Details

1. Overview of the Green Lease

Green lease is where building owners and tenants collaborate to reach voluntary agreements with regards to energy saving and other environmental burdens of real estate as well as improvements of indoor environments through contracts, memorandums of understanding and such and implement contents of these agreements.

The green lease concluded by HCM is an action that a tenant returns benefits to a building owner if the benefits of investment for energy-saving retrofit implemented by the building owner are attributed to the tenant “a green lease with energy efficiency retrofit” (Note 1).

Specifically, LED lighting implementation work for energy-saving of common areas (Note 2) shall be conducted at the expense of HCM, and a certain part of tenant’s benefit due to reduction in electricity charges for the lighting equipment and bulb replacement cost resulting from such renovations shall be paid to HCM as green lease fees. Therefore, this agreement yields mutual profit to both HCM and the tenant by reduction in electricity charges and so on.

(Note 1) Reference: “Green Lease Guide” (made by Ministry of Land, Infrastructure, Transport and Tourism

https://www.mlit.go.jp/totikensangyo/totikensangyo_tk5_000150.html)

(Note 2) Means underground parking lot, lobby of 1st floor, hallways and so on, except rooms. Same meaning hereinafter.

Name of property	Paid nursing home-17 Kobe Gakuentoshi Building (Hapine Kobe Gakuentoshi)
Tenants	GREEN LIFE Co.,Ltd.
Content of renovation work	Lightning equipment in common areas of the building will be changed from fluorescent to LED lighting
Cost burden	The initial cost of installing LED lighting will be borne entirely by HCM.
Reduction in annual electricity consumption	208,855KWh/year (approx. 69% reduction effort is estimated before and after LED construction work)
Green lease fees (Note 3)	As of August 1, 2021, rent under the current lease agreement will be increased by a certain amount (Note 4) as a green lease fee.

(Note 3) Renovation for the green lease is scheduled to be completed by the end of July 2021.

(Note 4) The details of the rent with green lease fees will not be disclosed because the consent of the tenant has not been obtained.



2. Policies for Future Initiatives

Healthcare Asset Management Co., Ltd. (hereinafter, “Asset Management Company”) to which HCM entrusts the management of its assets has made the basic policy on ESG. And based on this policy, the Asset Management Company takes actions to contribute to “E” which means ‘Environmental’, “S” means ‘Social’ and “G” means ‘Governance’. Concern to “E”, The Asset Management Company cooperates with many stakeholders like operators, as tenants. HCM is working to reduce its environmental burden by promoting energy saving measures and improving the efficiency of energy consumption at its properties. The green lease is a beneficial initiative for both HCM and the tenant, as it leads to reduction in the cost burden on the tenant in addition to reduction in the environmental burden and enhance profitability. HCM will continue to actively consider introducing green leases to owned properties.

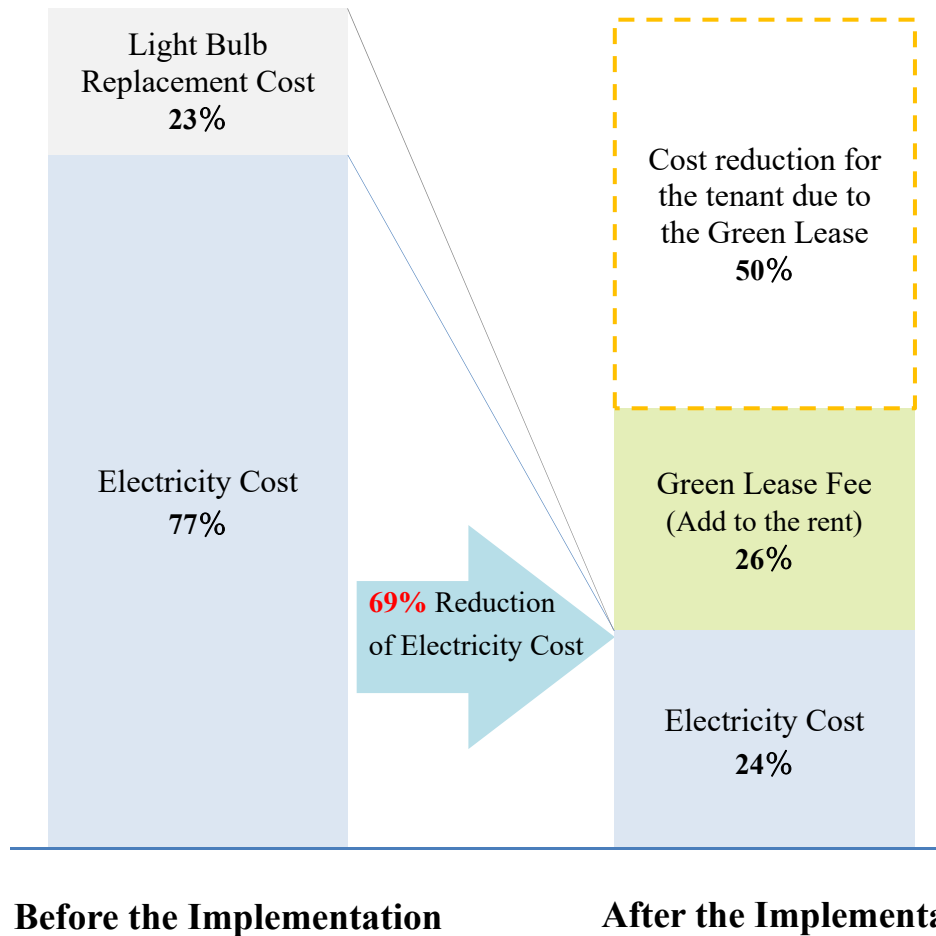
3. Forecasts

The impact of the green lease on the period ending July 2021 (February 1, 2021 to July 31, 2021) and the period ending January 2022 (August 1 2021 to January 31, 2021) are minimal. Therefore, the forecasts of financial results for the period remain unchanged.

Accompanying Material: Change of the electricity cost and tenant burden by the green lease implementation

* Website of HCM: <http://www.hcm3455.co.jp/en/>

Accompanying Material: Change of the electricity cost and tenant burden by the green lease implementation



- Based on the consumption of tenant's lighting equipment obtained through interviews, HCM estimates that the implementation of LED lighting equipment renovation at common areas will reduce electricity consumption by approximately 69%.
- A certain percentage of the economic benefit of the reduction in electricity consumption for lighting equipment enjoyed by tenants and the reduction in the cost of replacing bulbs estimated by a rated lifetime (40,000 hours) of LED lighting is returned to HCM as green lease fees by increasing rent under lease agreement.