



# Financial Results Briefing materials

Financial Period Ended July 2022  
(15th Fiscal Period)

September 14, 2022

Asset Management Company



Securities Code : 3455

The translation of the original Japanese Financial Results Briefing Materials is provided solely for information purposes.  
Should there be any discrepancy between this translation and the Japanese original, the latter shall prevail.

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## External Growth

- HCM acquired 10 healthcare facilities (11.4 billion yen) through the third public offering since IPO.
- Asset size expanded to 47 properties/78.4 billion yen, The target of 100 billion yen asset size is likely to be reached.

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## Performance

- Distributions per unit : 3,367 yen (+123 yen from previous fiscal period, +20 yen from forecast)
- NAV per unit : 127,069 yen (+2,255 yen from previous fiscal period )
- The impact of COVID-19 is little. The operational rate is 99.9%.  
No rent reduction/exemption, deferral of rent payment.

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## Financial Status

- Interest-bearing liabilities as of the end of the fiscal period was 38.65 billion yen and LTV (based on total assets) was 48.1% after the procurement of 5.5 billion yen with social loans. (△0.1pt from previous fiscal period )
- Long-term issuer rating (JCR) : A+ (Stable)

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## Recent Topics

- Inclusion in FTSE EPRA Nareit Global Real Estate Index

# Financial Summary



# 1. Major Indexes for 15th Fiscal Period (Ended July 2022)

Figures in parentheses indicate the change from the end of previous period

## Asset (Assets)

Number of properties	47 properties (+10 properties)
Total acquisition price	78.4 billion yen (±11.4 billion yen)
Total appraisal value	86.3 billion yen (+12.8 billion yen)
Unrealized gain	8.0 billion yen (+1.1 billion yen)
Average appraisal NOI yield	5.5% (△0.1pt)
Portfolio operational rate	99.9% (△0.1pt)
Ratio of fixed rents	100% (±0pt)
Ratio of investment in three major metropolitan areas	82.8% (△3.7pt)
Average remaining lease term	12.8 years (+0.6 years)

## Debt (Liabilities)

Total amount of interest-bearing liabilities	38.65 billion yen (±5.50 billion yen)
Average remaining terms to maturity	2.6 years (△0.3 years)
Average borrowing interest rate	0.56% (+0.01pt)
Ratio of long-term debt	70.9% (△1.2pt)
Ratio of debt with fixed interest rates	94.8% (△5.2pt)
LTV	48.1% (△0.1pt)
Long-Term Issuer Rating (JCR)	A+ (Stable)

## Equity (Net assets)

Market cap	62.3 billion yen (+21.5 billion yen)
Distribution per unit	3,367 yen (+123 yen)
Distribution in excess of earnings <sup>(Note)</sup> (Equivalent to return of capital)	307 yen (△1 yen)
NAV per unit	127,069 yen (+2,255 yen)

(Note) Distribution in excess of earnings refers to distribution carried out targeting around 20% of depreciation equivalent (return of capital).

## 2. Actual Results for 15th Fiscal Period (Ended July 2022)

Revenue and profit increased from the previous period due to properties acquisition through public offering. Achieved +123 yen of distributions per unit.

(Unit: million yen)

	14th fiscal period (Ended January 2022)	15th Fiscal Period (Ended July 2022)				
	Actual	Forecast (Note 2)	Actual	Comparison with Forecast	Comparison with 13th Fiscal Period	
	(A)	(B)	(C)	(C)-(B)	(C)-(A)	(C)-(A) (A) (%)
Operating revenue	2,080	2,371	<b>2,371</b>	△0	+290	14.0%
Operating expenses	1,007	1,111	<b>1,105</b>	△5	+97	9.7%
Expenses related to leasing business	701	790	<b>784</b>	△5	+82	11.8%
(Depreciation)	479	551	<b>551</b>	+0	+72	15.1%
General and administrative expenses	306	321	<b>321</b>	+0	+14	4.9%
Operating income	1,072	1,259	<b>1,265</b>	+5	+193	18.0%
Non-operating income	0	—	<b>2</b>	+2	+1	336.2%
Non-operating expenses	159	165	<b>166</b>	+0	+7	4.7%
Ordinary income	913	1,093	<b>1,101</b>	+7	+187	20.5%
Net income	913	1,092	<b>1,100</b>	+7	+187	20.5%
Distribution per unit (yen)	3,244	3,347	<b>3,367</b>	+20	+123	3.8%
Distribution of earnings	2,936	3,040	<b>3,059</b>	+20	+124	4.2%
Distribution of allowance for temporary difference adjustments	—		<b>1</b>			
Distribution in excess of earnings (return of capital) (Note 1)	308	307	<b>307</b>	-	△1	△0.3%

(Note 1) Distribution in excess of earnings refers to distribution carried out targeting around 20% of depreciation equivalent (return of capital).

(Note 2) The forecast for the 15th Fiscal Period (B) is the forecast figure announced in “(REIT) Financial Report for Fiscal Period Ended January 2022” dated March 18, 2022.

### 15th Fiscal Period Actual Results (Comparison with Forecast)

#### Difference in operating expenses (△5)

- Decrease in expenses related to leasing business (△5)
  - Repair expenses (△6)

#### Difference in non-operating revenue (+2)

- Insurance income (+1)

### 15th Fiscal Period Actual Results (Comparison with 14th Fiscal Period)

#### Difference in operating revenue (+290)

- Contribution of rent revenue from properties acquired in the 15th fiscal period

#### Difference in operating expenses (+97)

- Increase in expenses related to leasing business (+82)
  - Depreciation (+72)
  - Management service expenses (+5)
  - Trust fee (+2)
- Increase in general and administrative expenses (+14)
  - Professional fees (+4)
  - Asset management fee (+3)
  - Taxes and dues (+2)
  - Survey fee (+1)

#### Difference in Non-operating expenses (+7)

- Interest expenses (+5)
- Borrowing expenses (+2)



# I Financial Summary

## 3. Earnings Forecasts for 16th Fiscal Period (Ending January 2023) and 17th Fiscal Period (Ending July 2023)

In the 16th fiscal period, while full-period contribution of rent revenue from the property acquired in the previous fiscal period will be seen, expenses related to leasing business and asset management fee will increase due to the expansion of asset size and profit is expected to decrease.

(Unit: million yen)

	15th Fiscal Period (ending July 2022)	16th Fiscal Period (ending January 2023)				17th Fiscal Period (ending July 2023)	
	Actual	Initial forecast (Note 2)	Forecast (Note 3)	Comparison with initial forecast	Comparison with 15th fiscal period	Forecast (Note 3)	Comparison with 16th fiscal period forecast
	(A)	(B)	(C)	(C)-(B)	(C)-(A)	(D)	(D)-(C)
Operating revenue	2,371	2,419	<b>2,419</b>	+0	+48	<b>2,419</b>	△0
Operating expenses	1,105	1,176	<b>1,178</b>	+1	+73	<b>1,168</b>	△9
Expenses related to leasing business	784	802	<b>809</b>	+6	+25	<b>819</b>	+9
(Depreciation)	551	563	<b>561</b>	△1	+10	<b>559</b>	△2
General and administrative expenses	321	373	<b>369</b>	△4	+47	<b>349</b>	△19
Operating income	1,265	1,242	<b>1,241</b>	△1	△24	<b>1,251</b>	+9
Non-operating income	2	—	—	±0	△2	—	±0
Non-operating expenses	166	172	<b>175</b>	+2	+8	<b>186</b>	+11
Ordinary income	1,101	1,070	<b>1,065</b>	△4	△35	<b>1,064</b>	△1
Net income	1,100	1,069	<b>1,064</b>	△4	△35	<b>1,063</b>	△1
Distribution per unit (yen)	3,367	3,286	<b>3,275</b>	△11	△92	<b>3,269</b>	△6
Distribution per unit (Excluding distribution in excess of earnings (return of capital) (Note 1))	3,060	2,973	<b>2,962</b>	△11	△98	<b>2,957</b>	△5
Distribution in excess of earnings (return of capital) (Note 1)	307	313	<b>313</b>	±0	+6	<b>312</b>	△1

### 16th Fiscal Period Forecast (Comparison with 15th Fiscal Period Results)

#### Difference in operating revenue (+48)

- Full-period contribution of rent revenue from properties acquired in the 15th fiscal period

#### Difference in operating expenses (+73)

- Increase in expenses related to leasing business(+25)
  - Repair expenses (+13)
  - Depreciation (+10)
- Increase in general and administrative expenses (+47)
  - Asset management fee (+30)
  - Expenses related to investors meeting (+7)
  - Survey fee (+4)

#### Difference in Non-operating expenses (+8)

- Increase in interest expenses (+6)

### 17th Fiscal Period Forecast (Comparison with 16th Fiscal Period Forecast)

#### Difference in operating expenses (△9)

- Increase in expenses related to leasing business(+9)
  - Taxes and dues (+22)
  - Repair expenses (△9)
  - Depreciation (△2)
- Decrease in general and administrative expenses (△19)
  - Administrative service fees (△7)
  - Reduction of related to investors meeting (△7)
  - Asset management fee (△3)

#### Difference in Non-operating expenses (+11)

- Interest expenses (+14)
- Borrowing expenses (△2)

(Note 1) Distribution in excess of earnings refers to distribution carried out targeting around 20% of depreciation equivalent (return of capital).

(Note 2) The initial forecast for the 16th Fiscal Period (B) is the forecast figure announced in " (REIT) Financial Report for Fiscal Period Ended January 2022" dated March 18, 2022.

(Note 3) The forecast for the 16th Fiscal Period (C) and The forecast for the 17th Fiscal Period (D) are the forecast figure announced in " (REIT) Financial Report for Fiscal Period Ended July 2022" dated September 14, 2022.

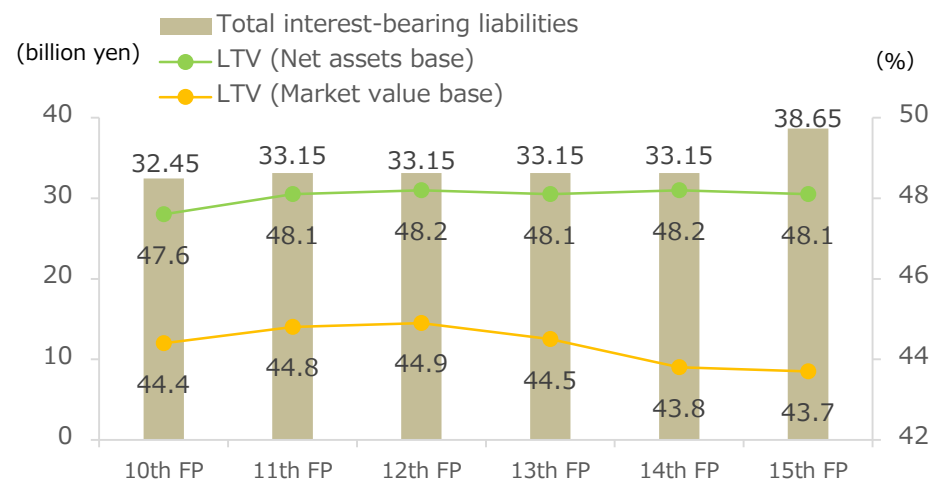
# 4. Financial Status

We have built a stable financial base under the bank formation centering on Sumitomo Mitsui Banking Corporation

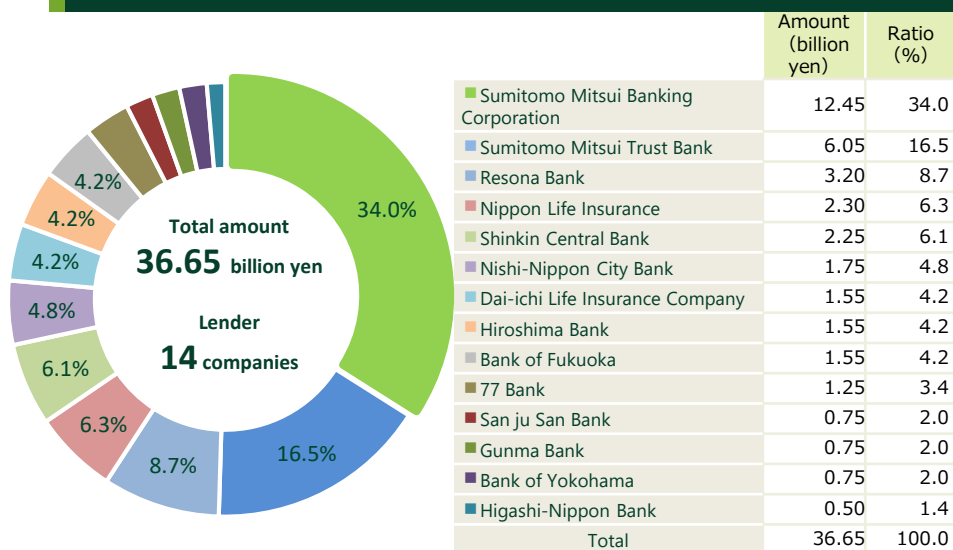
## Status of Interest-Bearing Liabilities

		End of 14th FP	End of 15th FP	Change
<b>Total amount of interest-bearing Liabilities</b>	<b>(billion yen)</b>	33.15	38.65	+55.0
(Social bonds)	(billion yen)	2.0	2.0	±0
<b>Average remaining terms to maturity</b>	<b>(years)</b>	2.9	2.6	△0.3
<b>Ratio of debt with fixed interest rates</b>	<b>(%)</b>	100	94.8	△5.2
<b>LTV</b>	<b>(%)</b>	48.2	48.1	△0.1
<b>Average borrowing interest rate</b>	<b>(%)</b>	0.55	0.56	+0.01

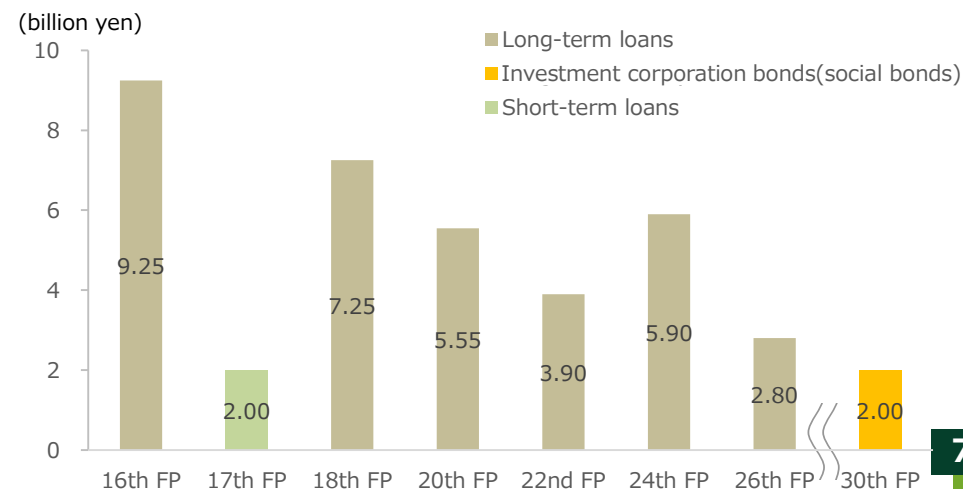
## Change in LTV and Total Interest-Bearing Liabilities



## Diversification of Lenders



## Diversification of Maturities





# 5. Changes in Distribution Per Unit/NAV Per Unit

Distribution per unit is stable even under the COVID-19 pandemic, and NAV Per Unit has improved.

## Distribution Per Unit/NAV Per Unit

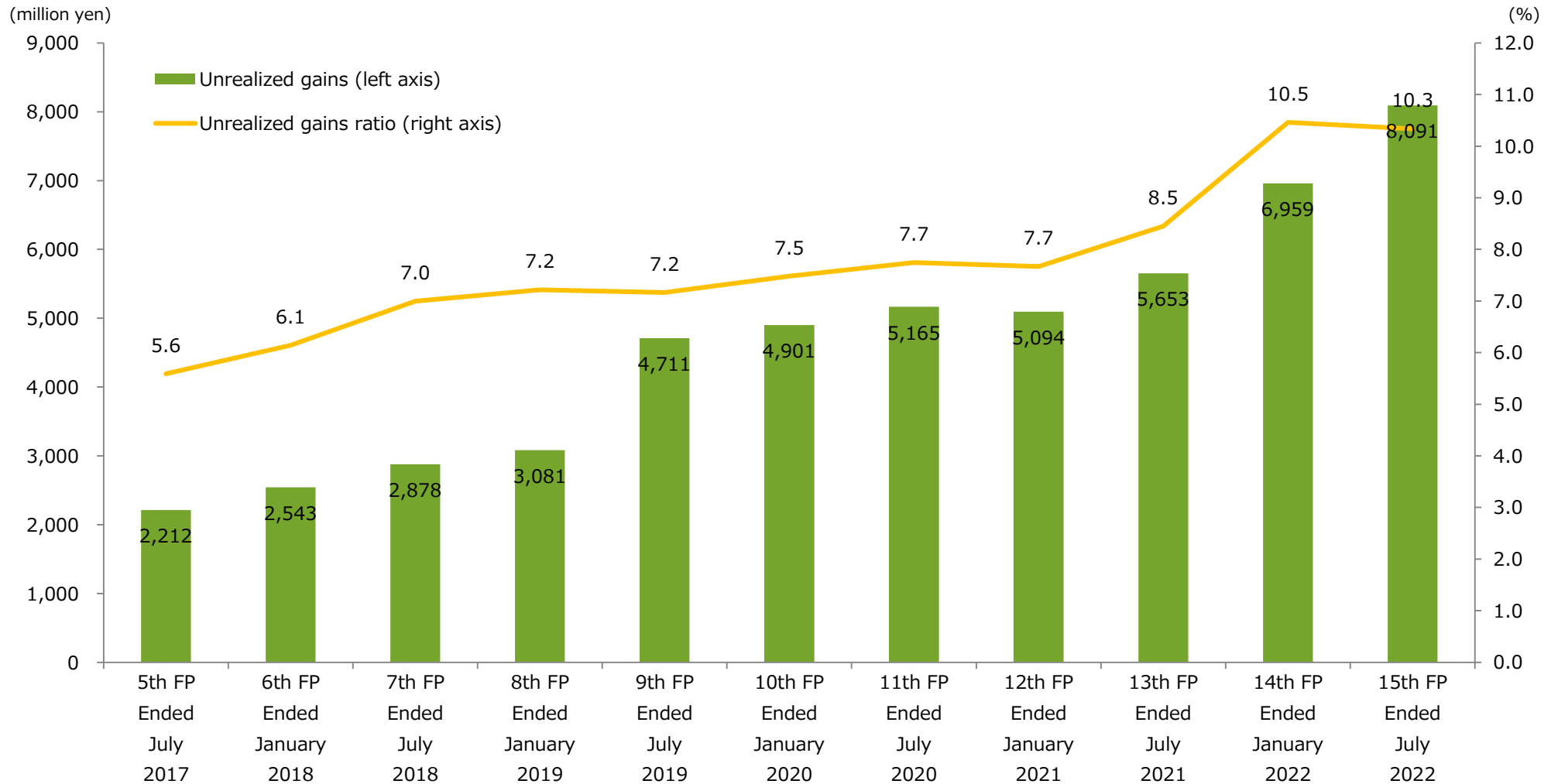


(Note 1) The amount obtained by subtracting distribution in excess of earnings of distribution per unit is indicated.

(Note 2) Distribution in excess of earnings refers to distribution carried out targeting around 20% of depreciation equivalent (return of capital).

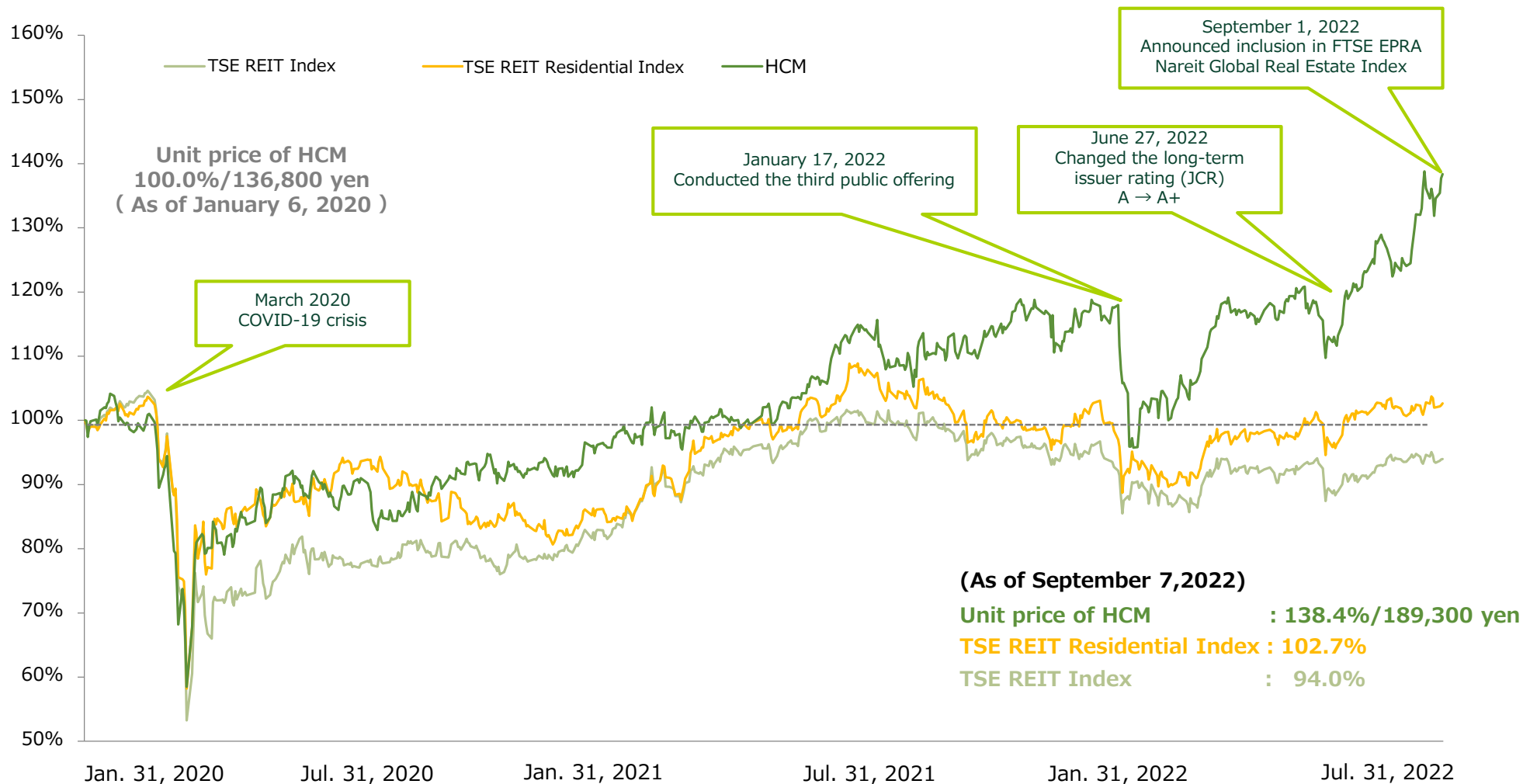
## 6. Changes in Unrealized Gains

Unrealized gains have been increasing steadily.



# 7. Changes in Unit Price (from January 2020)

The unit price of HCM has outperformed each index in general since the spread of COVID-19 and currently reached the highest price since listing.



(Note) It is indicated as a percentage with January 6, 2020, as the base date.

# Status of Asset Management



# 1. Portfolio Highlights

## Key Data

Number of  
properties

**47**  
(+10 properties)

Total acquisition  
price

**78.4 billion yen**  
(+11.4 billion yen)

Total appraisal  
value (Note 1)

**86.3 billion yen**  
(+12.8 billion yen)

Average appraisal  
NOI yield

**5.5%**  
(△0.1pt)

Average building  
age (Note 1)

**16.9 years**  
(△0.6 years)

Average remaining  
lease term (Note 1)

**12.8 years**  
(+0.6 years)

Ratio of fixed rents

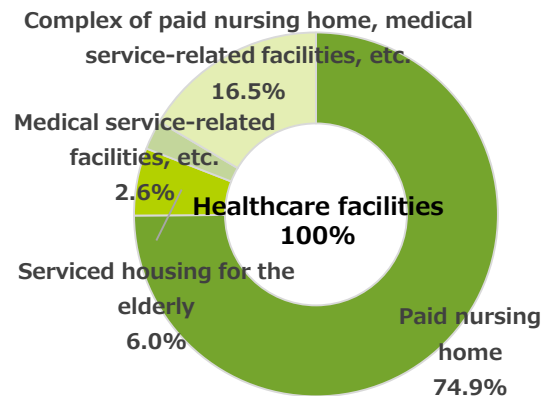
**100%**  
(±0pt)

Portfolio operational  
rate

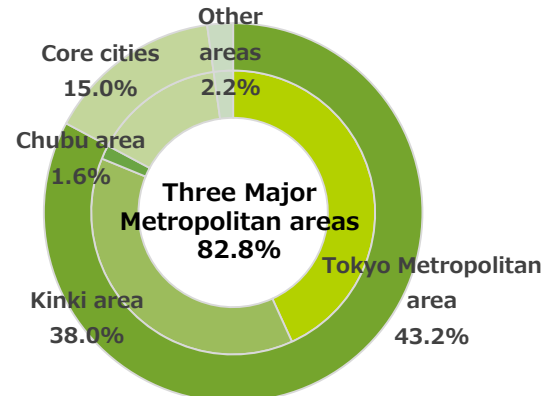
**99.9%**  
(△0.1pt)

## Diversification Status (Note 3)

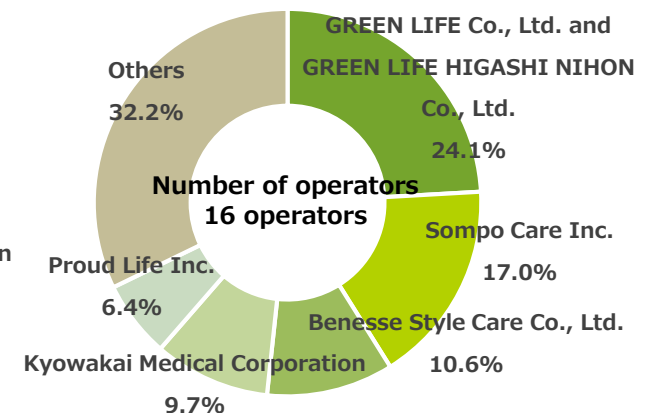
By Type



By Area



Operators (Note 4)



(Note 1) "Total appraisal value" is indicated based on the appraisal report with July 31, 2022, as the appraisal date. "Average building age" and "Average remaining lease term" are average values with July 31, 2022, as the base date, calculated by dividing the remaining years to maturity by 365 and weighted by acquisition price. The figures are rounded down to the first decimal place. For properties having multiple buildings, they indicate weighted-average figures based on area.

(Note 2) Figures in parentheses are comparison with the end of the 14th FP.

(Note 3) The figures in the graphs are calculated based on acquisition price, rounded off to the first decimal place.

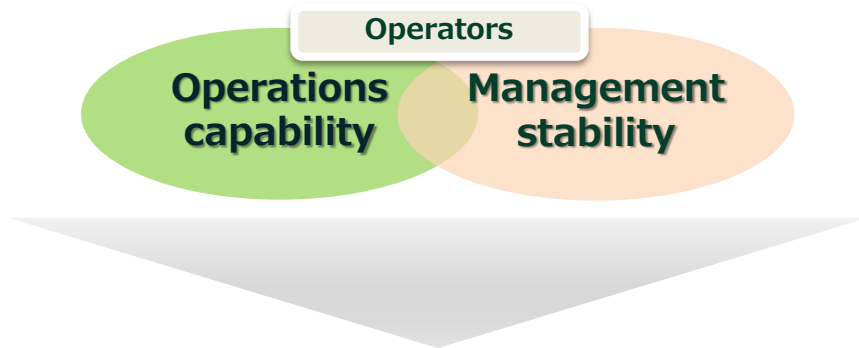
(Note 4) The operators of SHIP Senri Building are separated based on an area basis, with Kyowakai Medical Corporation for the Senri-Chuo Hospital portion and GREEN LIFE for the other portions.

## 2. Stable Cash Flow in the Long Term①

By leveraging expertise in the healthcare field, HCM stably owns healthcare facilities operated by carefully selected operators.

### Business evaluation of healthcare facilities and Operators

HCM has built a stable portfolio through business due diligence and monitoring.



### Business due diligence / Monitoring

- ◆ Quantitative and qualitative assessment and analysis
- ◆ Regular visits to facilities and on-site inspections (interviews with facility directors, etc.)

Business profile/activities

Financial status

Organizational management

Business model

Compliance (Abuse prevention measures)

Staff retainment • Development

### Carefully selected operator

- HCM has 16 operators with strong track records and high creditworthiness, including industry-leading SOMPO Care, Benesse Style Care and GREEN LIFE that belongs to SHIP HEALTHCARE.
- Kyowakai is a major medical corporation that operates 7 hospitals (2,276 beds) and 4 geriatric health services facilities (495 beds), etc.

#### Top Operators (Based on Acquisition Price) (Note 1)

Operator	Total capacity (Note 2)	Share (%)
GREEN LIFE Co., Ltd.	4,431 people (ranked 25th in Japan) (Note 3)	24.1
GREEN LIFE HIGASHI NIHON Co., Ltd.		
Sompo Care Inc.	29,443 people (ranked 1st in Japan)	17.0
Benesse Style Care Co., Ltd.	19,798 people (ranked 2nd in Japan)	10.6
Kyowakai Medical Corporation	-	9.7

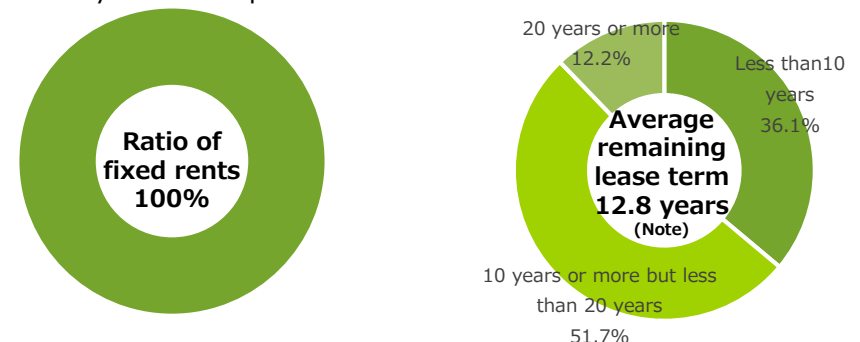
(Note 1) The operators of SHIP Senri Building are separated based on an area basis, with Kyowakai Medical Corporation for the Senri-Chuo Hospital portion and GREEN LIFE for the other portions.

(Note 2) (From) Weekly Senior Housing Newspaper, August 3-10, 2022 issue (No. 681)

(Note 3) Indicates the figure of Ship Healthcare Holdings Co., Ltd. as a whole.

### Stable rent revenue in the Long Term

- Long-term fixed-rent lease agreements have been concluded with carefully selected operators.



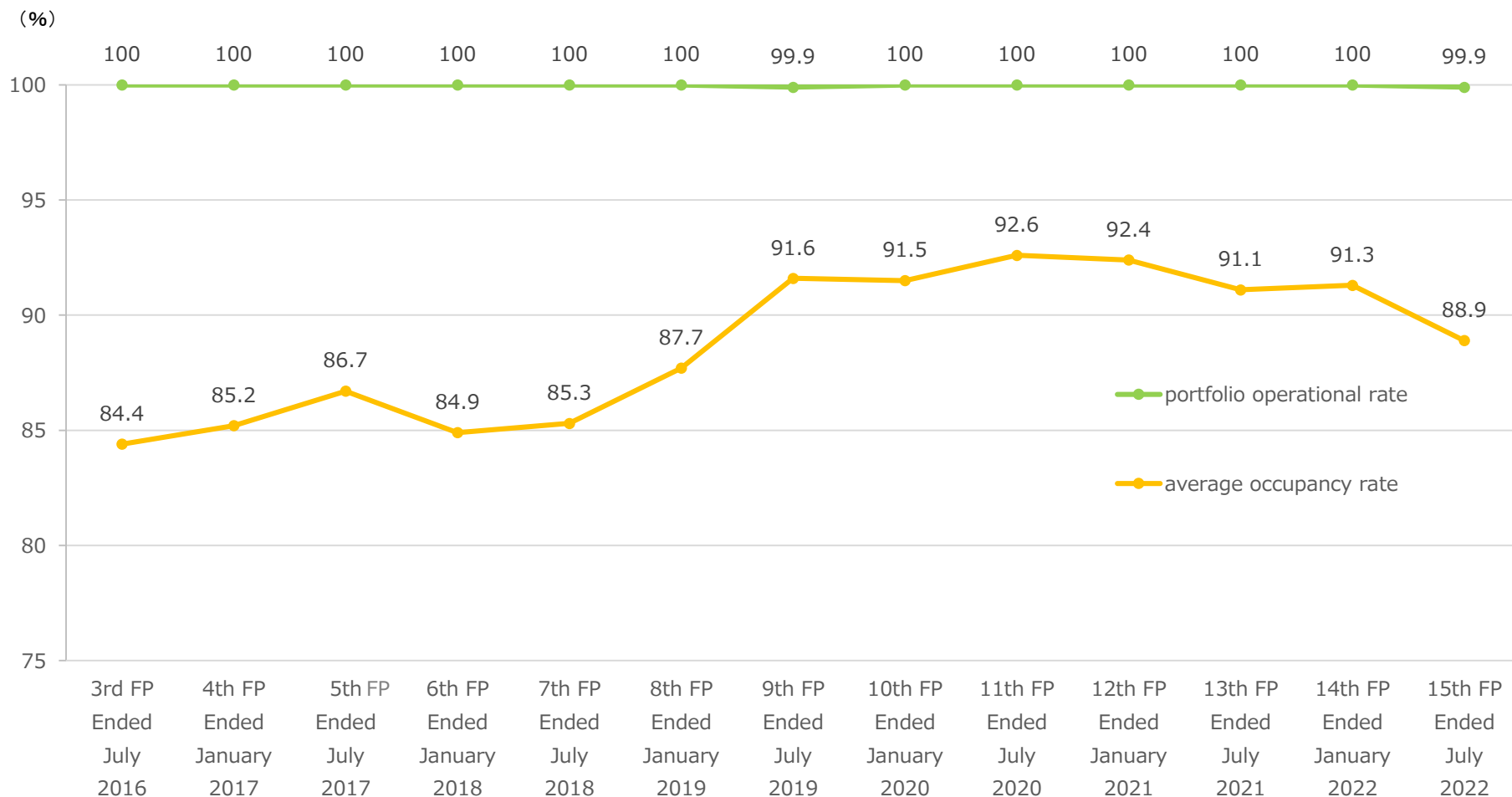
(Note) The figure is based on July 31, 2022, as reference date and calculated by weighted averaging with acquisition prices, rounded down to the first decimal place.



## 2. Stable Cash Flow in the Long Term②

**Portfolio operational rate of HCM has been almost 100% since the IPO, and average occupancy rate of each facility has been maintained at around 90% even amid the COVID-19 pandemic.**

### Change in Portfolio Operational Rate and Average Occupancy Rate



(Note) Portfolio operational rate indicates the ratio of the rented area to the leasable area of the assets as of the end of each fiscal year, and is rounded off to the first decimal place. Average occupancy rate is the rate obtained by dividing the total number of residents by the total capacity for the facilities and housing for the elderly shown in the Property Disclosure Statement of Important Matters provided by the operator and is rounded off to the first decimal place.

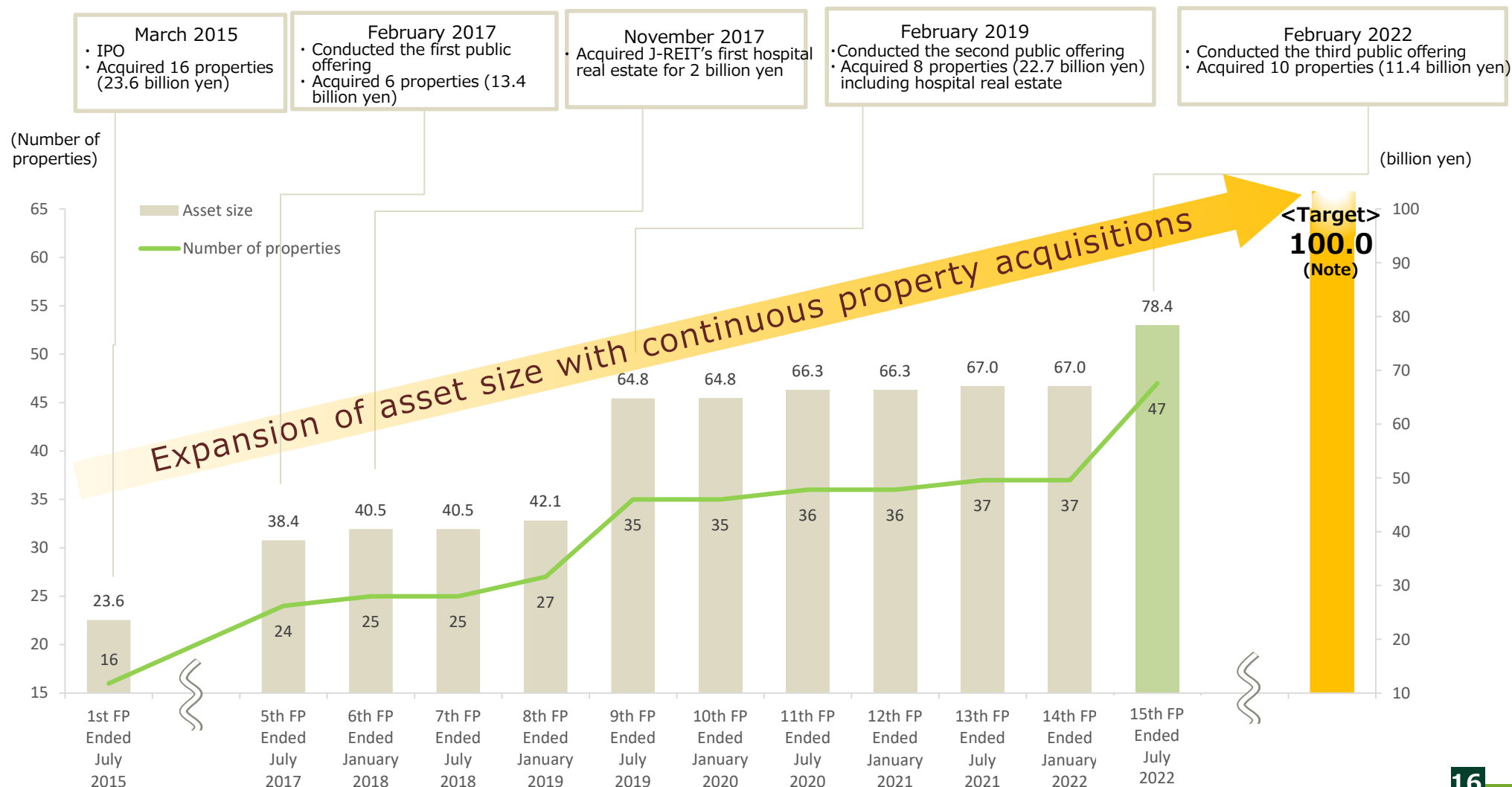
# Actions for Enhancement of Unitholder Value



# 1. Road Map to External Growth

With continuous property acquisition, the asset size expanded to 78.4 billion yen.  
The target of 100 billion yen asset size is likely to be reached.

## Change in Asset Size and Number of Properties



(Note) The target may not be achieved due to future events, market environment and other factors.

## 2. External growth through Public Offering (February 2022)

HCM made a public offering for the first time since February 2019 and realized enhancement of unitholder value by external growth.

### Overview of the offering











Payment date	February 1, 2022
Number of new investment units issued <small>(Note)</small>	48,499 units
Issue price/Issue value	124,764 yen/120,477 yen
Amount paid in <small>(Note)</small>	5.84 billion yen

(Note) "Number of new investment units issued" and "Amount paid in" include those for third-party allotment on March 1, 2022 (payment date).

### Investment highlights

- 1 Stable portfolio backed by expertise and track record as a REIT dedicated to healthcare facilities.
- 2 External growth utilizing wide networks and sponsor support.
- 3 Robust financial structure and ESG initiatives.

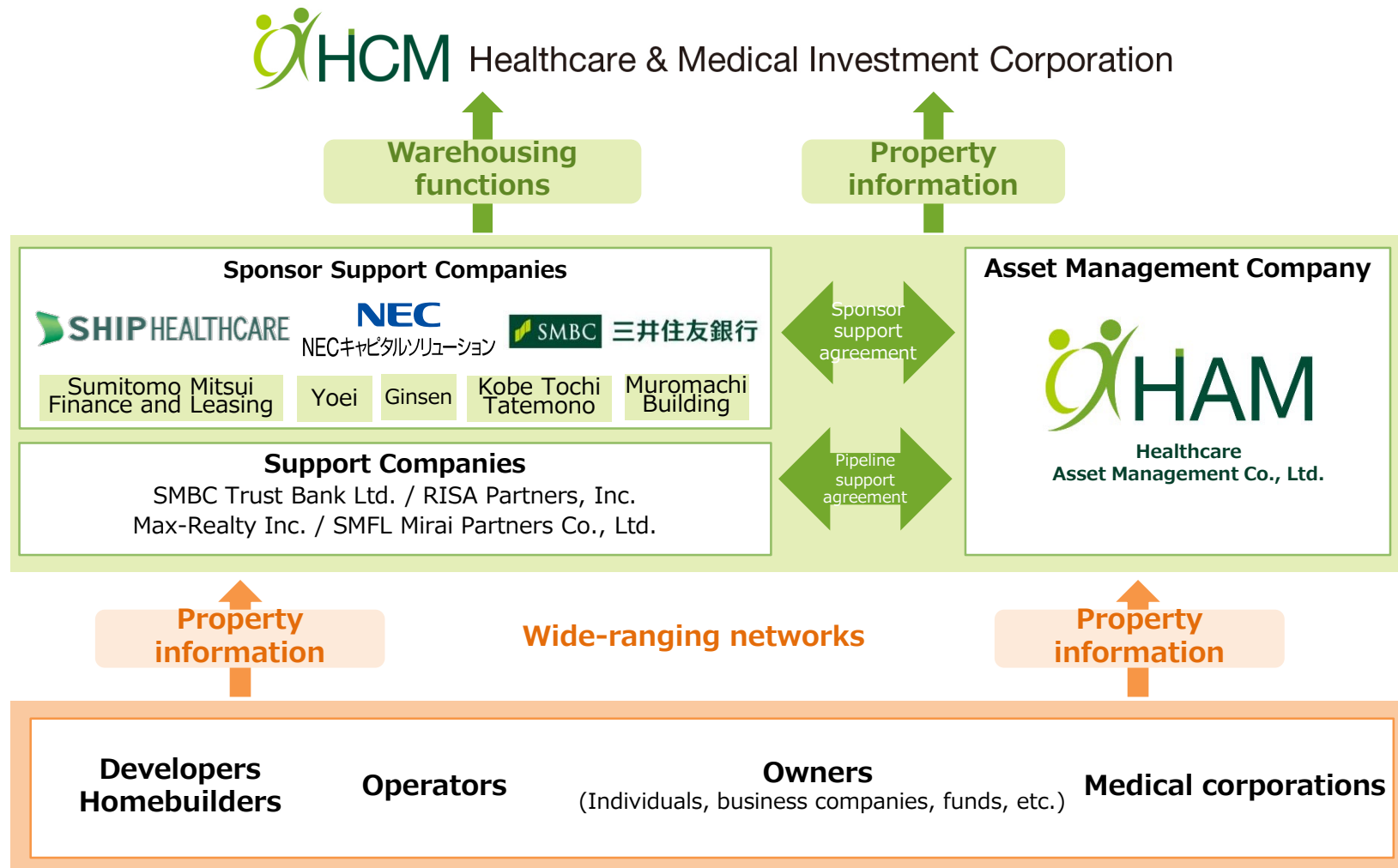
### Overview of the assets acquired

	<div>SOMPO CARE La vie Re Kobe- ikawadani</div> 	<div>SOMPO CARE Sampo no ie Sayama</div> 	<div>Granda Minamiurawa</div> 	<div>Madoka Minamiurawa</div> 	<div>Royal Kawaguchi</div> 	<div>Heartland Kawaguchi Meiseien</div> 	<div>NOAH GARDEN LEGEND</div> 	<div>NOAH GARDEN L Grace</div> 	<div>RICHNOAH GARDEN Season Bell</div> 	<div>NOAH GARDEN CASA RICH</div> 	
Type	Paid nursing home with care service						Residential type paid nursing home			Serviced housing for the elderly	Total / Average
Operator	Sampo Care Inc.		Benesse Style Care Co., Ltd.		SENIOR LIFE SUPPORT Co.,Ltd	MEISHO.Co.,Ltd	NOAH KONZER Co.,Ltd				
Location	Kobe-shi, Hyogo	Sakai-shi, Osaka	Kawaguchi-shi, Saitama				Sapporo-shi, Hokkaido				
Seller	Kobe Tochi Tatemono Co.,Ltd	Sakai engineering and construction Co.,Ltd	NEC Capital Solutions Limited		Ginsen Co.,Ltd	Godo Kaisha MYGK 4-Go	Godo Kaisha NOAH GARDEN Utsukushigaoka		NOAH KONZER Co.,Ltd	Godo Kaisha NOAH GARDEN Utsukushigaoka	
Acquisition price (million yen)	1,288	600	1,022	822	1,260	2,000	859	622	1,350	1,619	
Appraisal value (million yen)	1,300	647	1,100	883	1,310	2,180	910	660	1,520	1,730	12,240
Appraisal NOI yield	4.9%	5.4%	4.8%	4.8%	4.9%	5.0%	5.6%	5.6%	5.8%	5.6%	5.2%

## 3. Expansion of Pipeline①

HCM aims to expand the pipeline through a “gathering system” that utilizes wide-ranging networks with operators and developers, etc. and their various functions.

System to Gather Quality Deals and Information



## 3. Expansion of Pipeline②

The pipeline has accumulated to about 27 billion yen in total.

### The states of pipeline accumulation

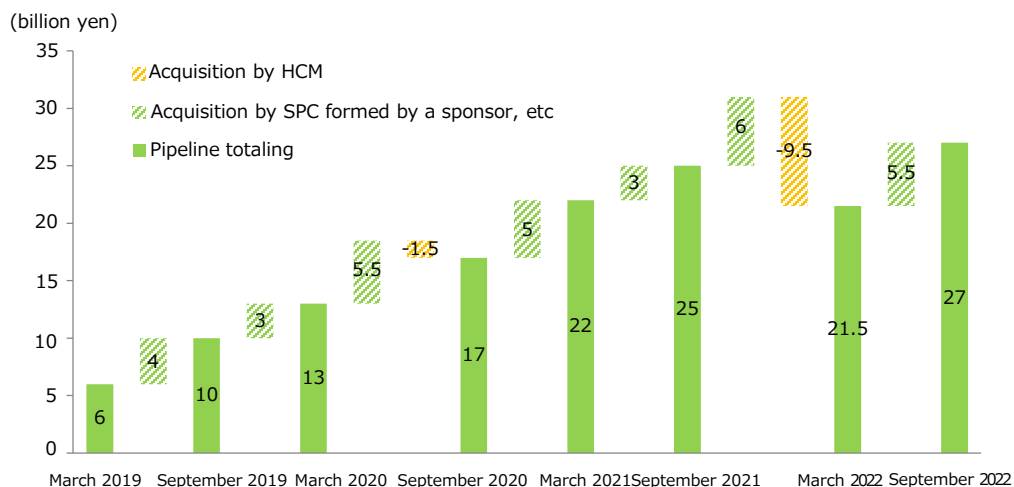
#### System to gather quality deals and information

Facilities and housing for the elderly (in operation)

Facilities and housing for the elderly (to be developed)

Medical service-related facilities, etc.

**Total Pipeline over 27 billion yen**



(Note) In case a sponsor or an SPC formed by a sponsor, etc. decides to sell a healthcare facility they own, HCM has the first refusal rights to acquire the property. However, the acquisition is undecided and there is no guarantee that HCM will acquire the property in the future. The above properties are some of healthcare facilities owned by sponsors or SPCs formed by sponsors, etc.

### Case of pipeline

#### Facilities and housing for the elderly(in operation)

Paid nursing home



Sunny Life Funabashi  
(Funabashi-shi, Chiba; 185 rooms)

Change of ownership case of residential type paid nursing home. Acquired by a sponsor on the premise of future sale to HCM, seizing the rare opportunity of asset replacement by a large real estate company. Good relationship with the operator also contributed.

Paid nursing home



NOAH GARDEN Bloom View  
(Sapporo-shi, Hokkaido; 54 rooms)

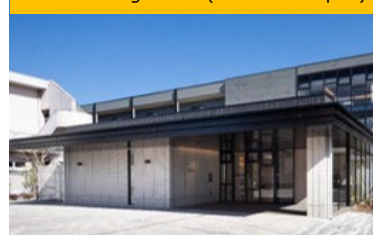
Paid nursing home



SAWAYAKA Seaside Kakinoumi  
(Kitakyusyu-shi, Fukuoka; 80 rooms)

#### Facilities and housing for the elderly(to be developed)

Paid nursing home (to be developed)



Charm Hanakoganei  
(Kodaira-shi, Tokyo; 66 rooms)

The sponsor acquired the land in advance by assuming the disposition to HCM. A development case in which the sponsor led the overall project until the completion of building in cooperation with the constructor. Opened in March 2021.

Paid nursing home (to be developed)



Medical Rehabilitation Home  
Granda Hanayama  
(Sapporo-shi, Hokkaido; 52 rooms)

Paid nursing home (to be developed)



PD House Nishitokyo  
(Nishitokyo-shi, Tokyo; 60 rooms)



## 4. Actions for Acquisition of Hospital Property

### Investment & Management Policy

1

#### Major investment target

- Real estate of stably managed hospitals (Hospitals expected to play a definite role in the Regional Healthcare Vision) ⇔ Different from business rehabilitation funds
- Medical malls and health checkup centers, etc. may also be incorporated into portfolio

2

#### Investment & Management complying with the “Hospital Real Estate Guidelines”

- Allocation of experts familiar with hospital business in the Asset Management Company
- Conclusion of a long-term fixed-rent lease agreement, in principle

3

#### Investment ratio

- Together with facilities and housing for the elderly, accounting for 80% or more of the portfolio
- No upper limit sets for hospital real estate alone

4

#### Promotion for market expansion

- Lectures on utilization of Healthcare REIT at industry group meetings (Congress of Japan Hospital Association, etc.)
- Participation in seminars for medical care-related operators hosted by the Financial Services Agency and the Ministry of Land, Infrastructure, Transport and Tourism

### Opportunity of REIT Investment (Utilization)

#### Size of hospital real estate market

- Market size is approximately 23 trillion yen (Note), and hospital real estate accounts for over 50% of the entire healthcare facility real estate market (approximately 51%)
- Mostly self-owned by medical corporations, etc.

#### Major hospital needs

- Rebuilding, extension, securing of relocation site with the intention of strengthening medical functions
- Financing for floor expansion and M&A to expand their business
- Strengthen financial status, Cash flow management
- Concentration of management resources on the main business, Outsourcing of real estate business
- Improving the brand of operating facilities

(Note) Calculated by the Asset Management Company based on the estimate value by KPMG Healthcare Japan Co., Ltd. as of June 2016.

### Case Example














<b>Name</b>	SHIP Senri Building (Senri-Chuo Hospital)
<b>Location</b>	Toyonaka-shi, Osaka
<b>Operators</b>	Kyowakai Medical Corporation
<b>Number of beds</b>	400

- Large-scale multi-use healthcare facility, combining a hospital and a paid nursing home
- Developed and master leased in its entirety by a group company of SHIP HEALTHCARE
- Senri Chuo Hospital, a major tenant, opened when the property was completed (2008) as a hospital mainly responsible for subacute and chronic care
- HCM acquired it by utilizing the warehousing functions of the sponsor

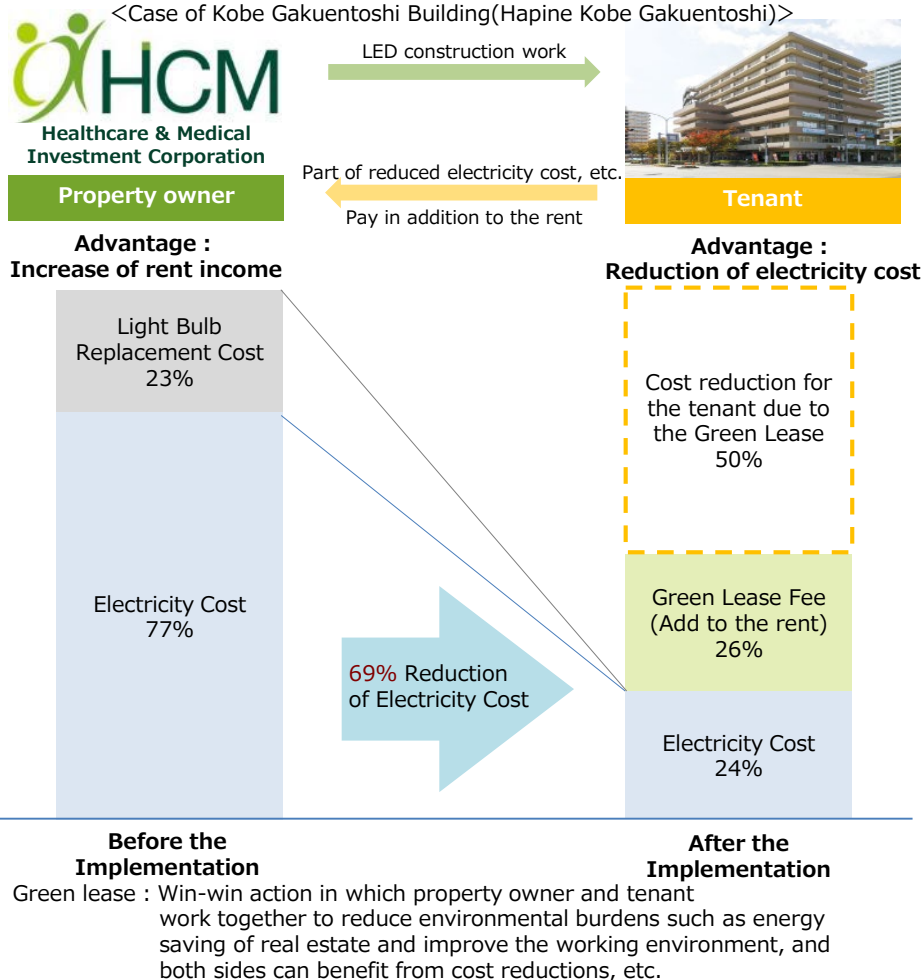
## 5. ESG Initiatives

Worked to contribute to the aged society and enhance unitholder value over the medium to long term through asset management that contributes to ESG.

	Issues that need to be solved	Specific Actions	Highly relevant SDGs
<b>Environment</b>	<ul style="list-style-type: none"> <li>Energy conservation and reduction of CO<sub>2</sub> emissions</li> </ul>	<ul style="list-style-type: none"> <li>Green lease (Kobe Gakuentoshi Building)</li> <li>Renovation work for improving the efficiency of air conditioning system using subsidies (GreenLife Moriguchi and Kobe Gakuentoshi Building)</li> </ul>	  
<b>Social</b>	<ul style="list-style-type: none"> <li>Elimination of the shortage of supply of housing for the elderly against the elderly population</li> <li>Prevention of job separation due to nursing care through the promotion of supply of nursing care facilities and Promotion of women's empowerment</li> <li>Improvement of business efficiency and reduction of work burden for nursing care staff</li> <li>Prevention of abuse of residents and harassment of facility staff</li> <li>Response to the deterioration of hospitals and promotion of earthquake resistance and Promotion of hospital function conversion</li> <li>Work-life balance, health of staff, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Procured funds through social finance (social loans and social bonds)</li> <li>Issued Impact Reports that summarize endeavors toward addressing social issues (every December)</li> <li>Supported the improvement of efficiency of nursing care business of operators with the introduction of ICT system <ul style="list-style-type: none"> <li>Introduced EGAO link, a system for enhancing efficiency of nursing care services (ASHEIM Hikarigaoka and ASHEIM Bunkyoakusan)</li> </ul> </li> <li>Employment support for people with disabilities (GreenLife Moriguchi, SHIP SENRI BUILDING)</li> <li>Tenant (Operator) Satisfaction Surveys</li> <li>Established a remote work system (Asset Management Company)</li> <li>Implemented countermeasures against the spread of COVID-19</li> </ul>	    
<b>Governance</b>	<ul style="list-style-type: none"> <li>Transparency in decision making</li> <li>Fair transaction (Appropriate management of conflicts of interest)</li> <li>Management of various risks (including elimination of antisocial forces)</li> </ul>	<ul style="list-style-type: none"> <li>Separation of Executive Director of HCM and CEO of the Asset Management Company (resolved at the general meeting of unitholders in October 2020)</li> <li>Established warehousing rules for transactions with interested parties</li> <li>Established a "Customer-Oriented Committee" at the Asset Management Company</li> </ul>	  

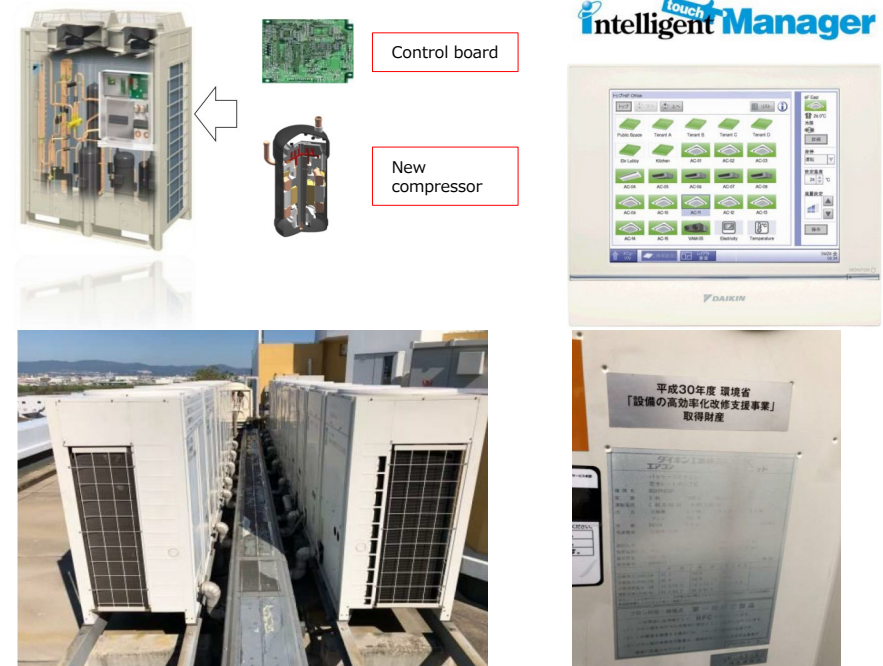
### Green Lease

- HCM introduced a green lease agreement with a tenant that rent a whole building of "Kobe Gakuentoshi Building (Hapine Kobe Gakuentoshi)" (2021)
- Introduced green lease agreements at 6 properties among the assets acquired in the 15th fiscal period (2022)



### Energy Saving Renovation Work

- Implemented high-efficiency renovation work for air-conditioning equipment at "GreenLife Moriguchi" (2018)
  - Replace the control board and compressor of the outdoor unit of the common area air conditioner with ones with high energy-saving performance.
  - Introduction of high-performance air conditioning management unit (collective management of air conditioning in the building, scheduled operation setting)
  - Utilize national subsidy
    - Investment amount 13.5 million yen (of which, the subsidy is 6.4 million yen)



## 5. ESG Initiatives ~ Social ~

### Investment in Healthcare Facilities

- Contributed to developing and expanding healthcare facilities in Japan through continuous investment by serving as a conduit between the nursing/medical industry and the capital market.

#### Social issues

**Super-aged society**

**Increase in Elderly Single Households**

**The shortage of supply of healthcare facilities**

**Hospitals do not meet the earthquake resistance standard**



**Promote the supply of healthcare facilities as social infrastructure**

**We seek to realize a society where all people can live vibrantly and with peace of mind**

### Social Finance

- Established a social finance framework to provide investment opportunities for investors who have strong interest in ESG investment.

**JCR Social Finance Framework Evaluation** **The highest evaluation Social 1 (F)**

**Social bond**

**Date of issue : January 30, 2020**  
**Amount of issue : 2 billion yen**

**Period : 10 years**  
**Interest rate : 0.78%**

**Social loan**

**Social loan balance: 31.65 billion yen**  
**(about 86% of the loan balance)**

※ **New loans after February 2019 are all social loans.**

Social Finance refers to finance with bonds and loans “that raise funds for new and existing projects with positive social outcomes” according to the “Social Bond Principles” of the International Capital Market Association (ICMA). Specifically, it is a financing approach where (i) The use of proceeds is limited to projects with a high degree of contribution to society, (ii) The proceeds are reliably tracked and managed, and (iii) Transparency is secured through reporting after the issuance.

### Improving the Efficiency of Nursing Care Operations Using ICT (EGAO link)

- Introduced a system capable of understanding the status of residents, inputting records and responding to calls with smartphones and supported the improvement of efficiency of the nursing care business (ASHEIM Hikarigaoka, ASHEIM Bunkyoakusan)

### Improving Resilience

- Implemented countermeasures against flooding at buildings in the event of typhoons and heavy rains

### Employment Support for People with Disabilities

- Used the vacant sections within the facility to conduct support projects for people with disabilities in the form of hydroponic cultivation of vegetables (GreenLife Moriguchi, SHIP SENRI BUILDING)

### Stakeholder Engagement

- Posted an article featuring an interview with the operator in the asset management report (optional page). Provided information on the features of and efforts by the operator
- Conducting tenant (operator) satisfaction surveys (once a year in principle). Sharing the results of the survey with property management companies

### Information Disclosure

- Issuance of Impact Report summarizing actions to solve issues which the medical and nursing care industries are facing (every December, on HP)
- Prepared an exclusive page on ESG initiatives on the website

## 5. ESG Initiatives ~ Governance ~

### Basic Management Policy

- Implementation of customer-oriented business operation
  - HAM established the "Customer-Oriented Committee".
- Strengthening autonomous compliance framework
  - Holding monthly compliance workshops. (More than 20 times a year)

### Appropriate Management of Conflicts of Interest

- Related party is defined in broader terms than interested party, etc. under the Investment Trust Law, and established a system to carry out transactions after conducting rigorous examinations.

interested party, etc.  
under the  
Investment Trust Law

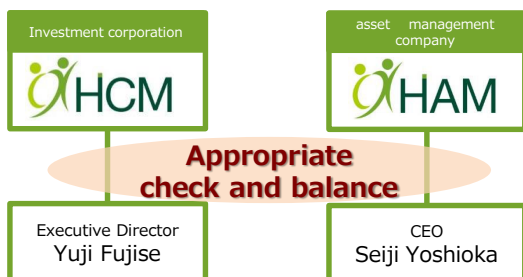
related party

- Acquisition fee for property acquisition from related party and Disposition fee for property disposition to related party

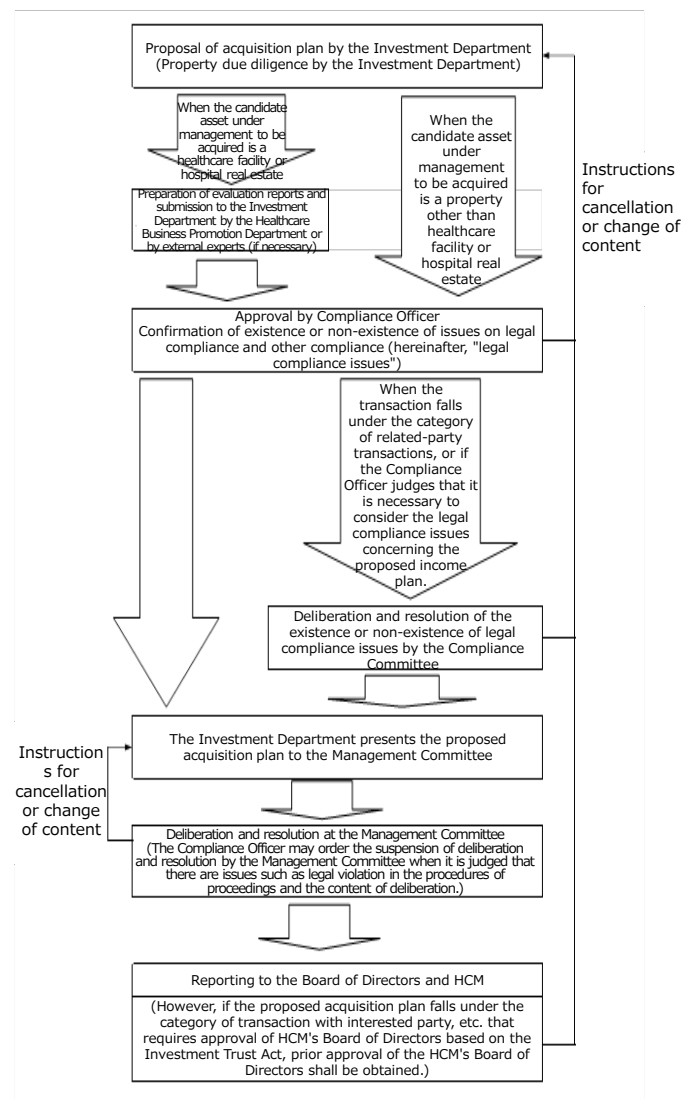
Acquisition or Disposition price  $\times$  **0.5%** (usually 1.0%) is upper limit

### Separation of Executive Director of HCM and CEO of the Asset Management Company

- From November 1, 2020, the system in which CEO of asset management company concurrently serves as executive director of HCM was dissolved.



### Decision-Making Flow Concerning Acquisition of Assets Under Management



# Environment Surrounding the Healthcare Industry

## IV



# 1. Revision of Medical Fee (FY 2022)

## Major Points of Medical Fee Revision (Medical) in Fiscal Year 2022

### Further clarification of hospital bed functions

- Acute stage: New establishment of a system to provide additional evaluation for enhanced acute-stage hospital wards, review of the degree of severity and necessity of medical and nursing care
- Recovery stage: Review of percentage of severely ill patients, addition of cardiac disorder, new establishment of secondary fracture prevention management fee
- Regional Comprehensive Care: Optimization of the percentage of patients moved from the general hospital ward of own hospital

### Improvement of operational efficiency through work-style reform for doctors, etc. and use of ICT

- Improvement of treatment of nursing staff, task sharing/task shifting
- Enhancement of a system to provide additional evaluation for placing staff to support doctors' clerical work, expansion of the scope of addition evaluation for data submission
- New establishment of initial consultation fee for online medical treatment, use of Individual Number Card as health insurance card

### Infectious disease control, strengthening of other outpatient functions, etc.

- New establishment of additional evaluation for enhanced outpatient infection control measures, evaluation of collaboration with and advice from local medical institutions, etc.
- Review of fixed-sum payment for medical examinations without a referral, promotion of introduction and use of refill prescription
- New establishment of evaluation system for specialized management in home-visit nursing care by nurses with high expertise

## Revisions to Medical Fee and Nursing Care Fee and Changes in Medical Plan and Nursing Care Insurance Business Plan

Fiscal year	Main unit portion	Medical fee	Nursing care fee	Medical plan	Nursing care insurance business plan
2012	+1.38%	+0.00%	+1.20%		Fifth
2013				Sixth	
2014	+0.73%	+0.10%	+0.63%		
2015			-2.27%		Sixth
2016	+0.49%	-0.84%			
2017			+1.14%		
2018	+0.55%	-1.19%	+0.54%	Seventh	Seventh
2019					
2020	+0.55%	-0.46%			
2021			<b>+0.70%</b>		Eighth
2022	<b>+0.43%</b>	<b>-0.94%</b>			
2023					
2024	Next time→	Simultaneous revision		Eighth	Ninth

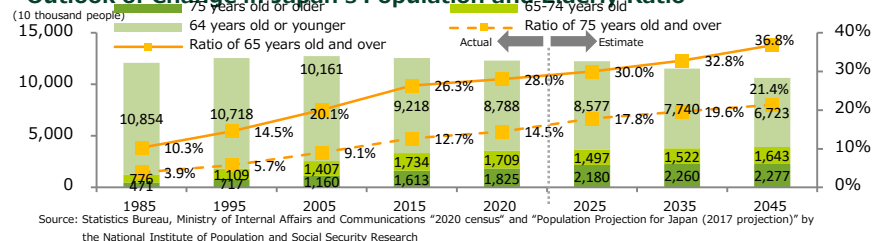
## (Reference) Major Initiatives by Nursing Care Providers Following Revision of Nursing Care Fees in FY 2021

Infectious disease control, formulation of BCP, abuse prevention	Formulation of plans, holding of committees, development of guidelines, training, drills (mandatory)
Promotion of scientific nursing care (additional evaluation for use of LIFE)	Introduction of nursing care record software, development of Wi-Fi environment, preparation of tablet
Improvement of treatment and working environment of nursing care staff	Improvement of efficiency through ICT such as monitoring equipment and strengthening of anti-harassment measures

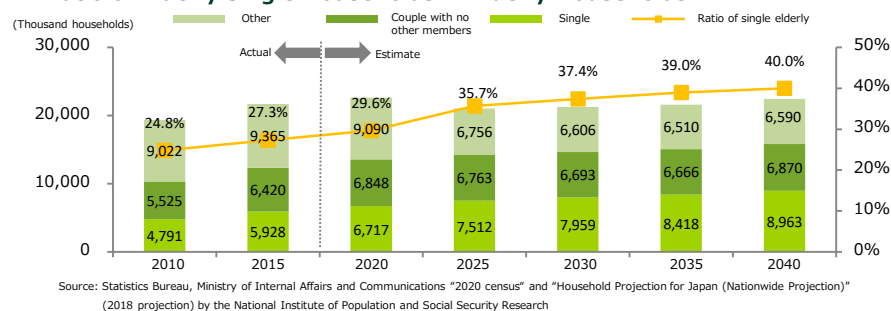
# 2. Supply and Demand of Healthcare Facilities

## Rising Elderly Ratio and Increase in Elderly Single Households

### Outlook of Change in Japan's Population and Elderly Ratio



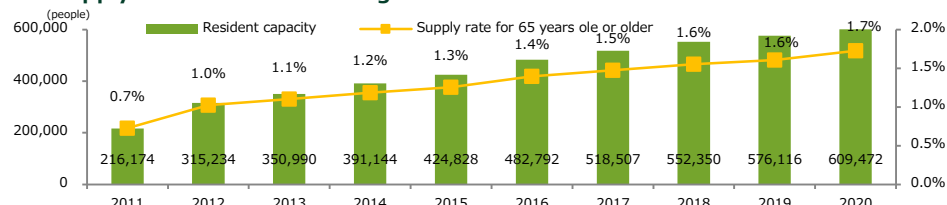
### Ratio of Elderly Single Households in Elderly Households



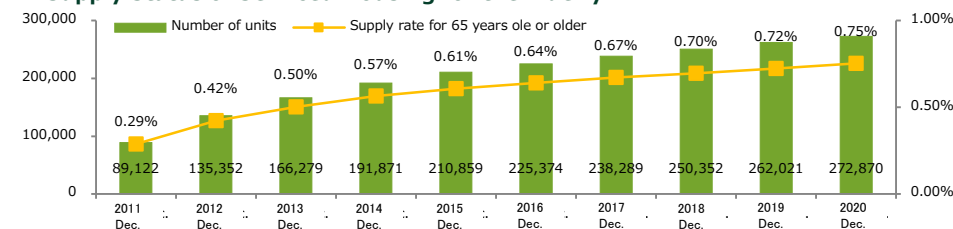
## Promotion of Further Supply of Healthcare Facilities

Although supply of facilities and housing for the elderly is on the rise each year, the supply rate of paid nursing homes against the elderly population was a mere 1.7% in 2020, and promotion of further supply is needed.

### Supply Status of Paid Nursing Homes



### Supply Status of Serviced Housing for the Elderly



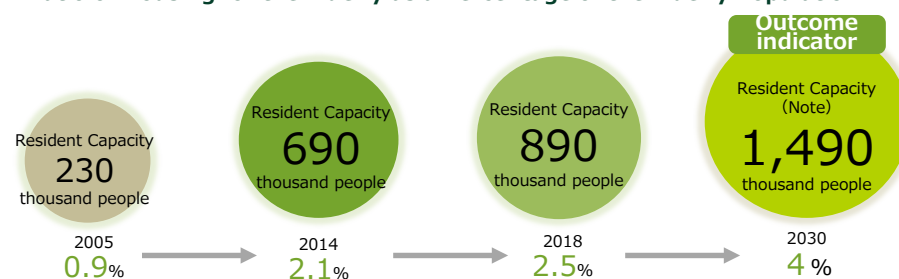
## Upgrades and Expansion of Healthcare Facilities Backed by Government Policy

March  
2021

Housing Life Basic Plan  
(nationwide plan)

A target to raise the ratio of housing for the elderly as a percentage of the elderly population to 4% by 2030 was set.

### Ratio of Housing for the Elderly as a Percentage of the Elderly Population

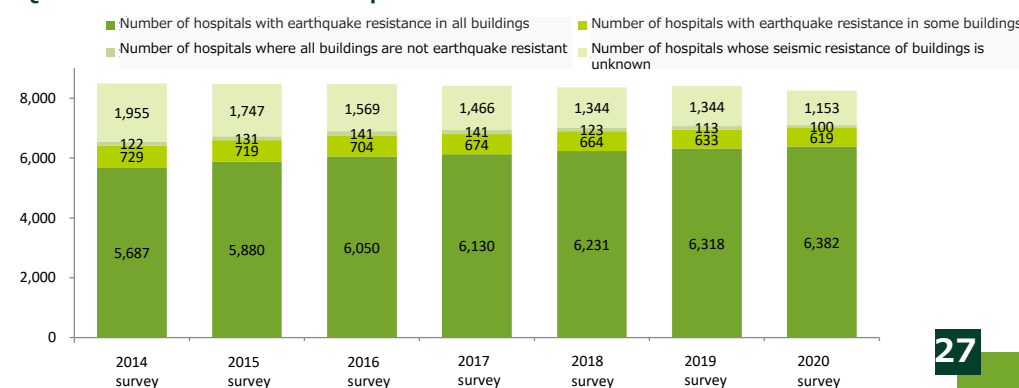


(Note) Resident capacity is estimated based on the outcome indicator for the ratio of housing for the elderly as a percentage of the elderly population.

## Current Status of Reconstruction of Hospitals, etc.

- Hospitals that were constructed in the 1960's and 1970's and do not meet the earthquake resistance standards still exist.
- Ratio of quake-resistant paid nursing homes is 95% or more while that of quake-resistant hospitals remains at 77.3%.

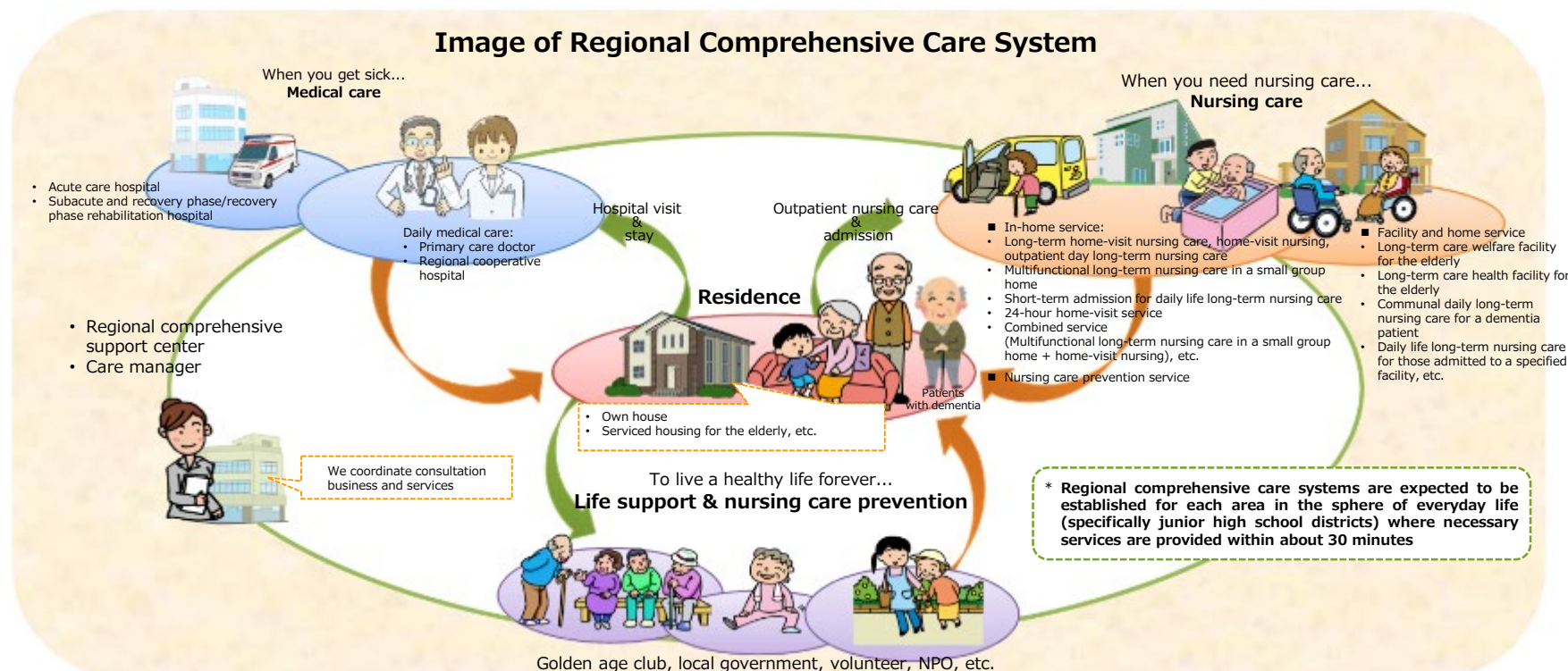
### Quake-resistant statues of hospitals



# 3. Regional Comprehensive Care System

## Regional Comprehensive Care System

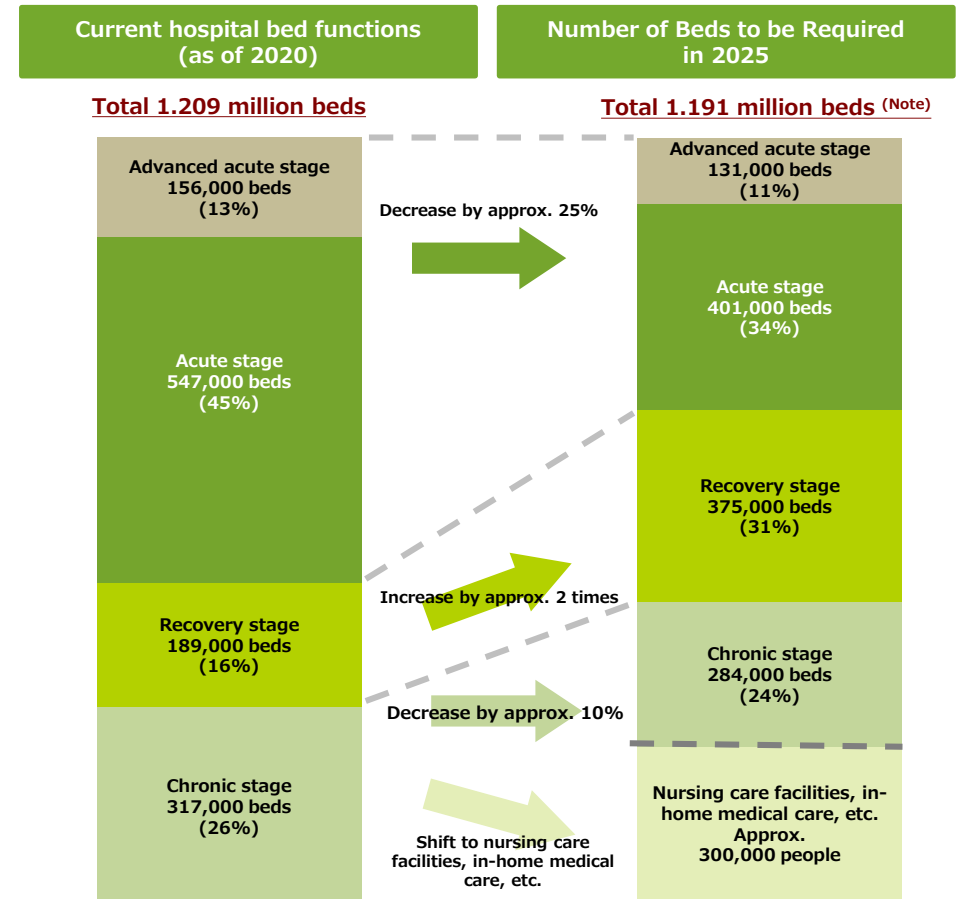
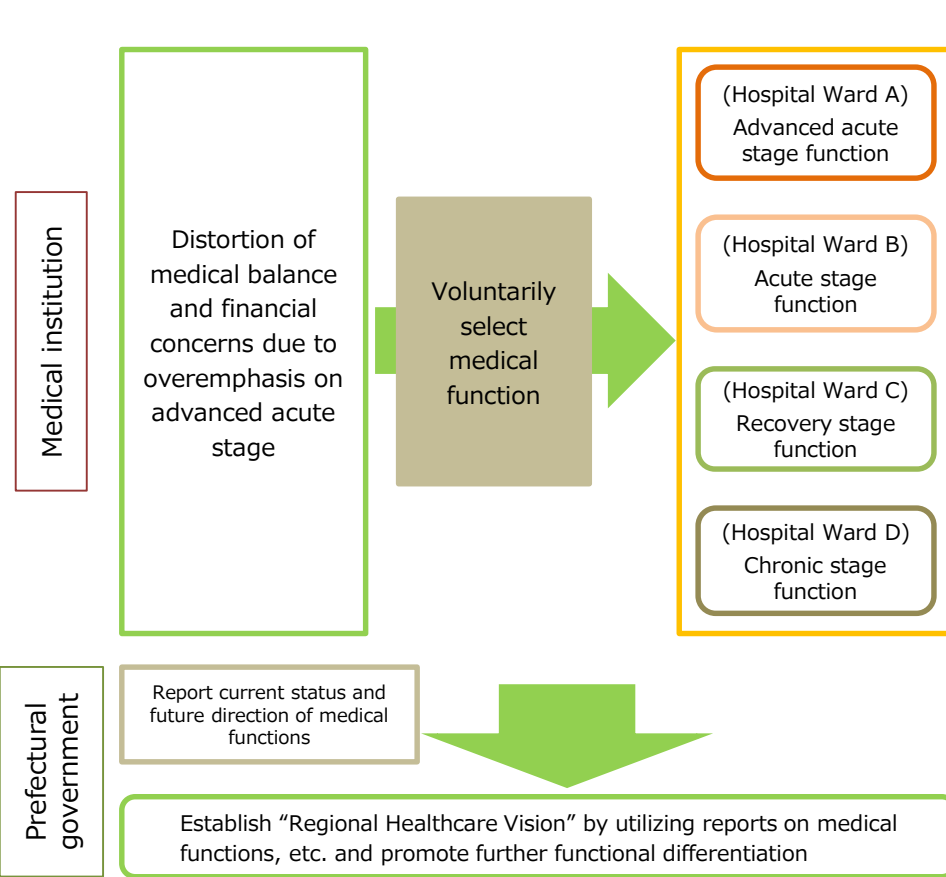
- We will establish a **regional comprehensive care system that provides residences, medical care, nursing care, preventative medicine and life support in an integrated manner** to offer an environment where the elderly can continue living in an area they are used to, even after they come to require nursing care, in around 2025 when the baby-boomer generation will be 75 or older.
- Establishment of a regional comprehensive care system is necessary to support the lives in regions where elderly with dementia live as the number of elderly with dementia is expected to increase in the future.
- **There is a large regional difference concerning the progress of aging.** There are, for example, large cities with the overall population remaining flat but the population of people aged 75 years old or older increasing rapidly and rural areas with the population of people aged 75 years old or older increasing slightly although the overall population decreasing.  
It is necessary **for municipalities and prefectural governments, which are the insurer, to create** a regional comprehensive care system **based on autonomy and independence and in accordance with regional characteristics.**



# 4. Regional Healthcare Vision

“Regional Healthcare Vision” is to estimate and stipulate medical demand (number of patients) and required number of beds in 2025 for each medical function in each area of the vision (secondary medical area) in order to promote functional differentiation and coordination of hospital wards.

Following this, prefectural governments and medical staff will respond to realize the formulated initiative.



(Source) Prepared by the Asset Management Company based on “Initiatives for Medical/Nursing Care Reform” (June 22, 2017) by the Ministry of Health, Labour and Welfare

(Note) Total of Cabinet Secretariat’s estimates (June 2015). Within the range of 1.148 million beds to 1.191 million beds.

# 5. Facilities and Housing for the Elderly

Type	Characteristics	Main founder
<b>Paid nursing homes with care service</b>	These are paid nursing homes for the elderly that fall under the prefectural government's designation of "Daily Life Long-Term Care Admitted to a Specified Facility" for long-term insurance. Facility staff provide nursing care services when residents need nursing care, and the nursing care fee is a fixed amount (fixed) based on the level of nursing care required for respective residents. Facilities must be designated in order to open (restrictions apply).	For-profit Entities
<b>Residential type paid nursing homes</b>	Unlike paid nursing homes with care service, these are paid nursing homes for the elderly in which residents themselves enter separate contracts with external operators to receive nursing care services in the case they need nursing care. The nursing care fee is based on the amount of nursing care services the resident used (variable). Facilities need to notify the government in order to open.	For-profit Entities
<b>Serviced housing for the elderly (Sakouju)</b>	This is rental housing for the elderly that meets registration standards for size, facilities, etc. At a minimum, it must provide safety confirmation and living consultation services. Facilities must register in order to open.	For-profit entities
<b>Long-term daily care for dementia patients in communal living situation (Group homes)</b>	These are one type of community-based long-term care service business stipulated by the Long-Term Care Insurance Act. Their purpose is to delay the progress of dementia of users, who are people requiring nursing care and in the state of dementia, through communal living in small groups of up to nine people per unit with assistance and functional training.	For-profit Entities
<b>Facilities covered by public aid providing long-term care to the elderly (intensive care homes for the elderly)</b>	These are welfare facilities for the elderly for people requiring nursing care on a continual and steady basis but have difficulty receiving it at home. With stricter admission requirements since April 2015, these facilities in principle target elderly people requiring long-term care level 3 or higher.	Social welfare corporations
<b>Geriatric health services facilities</b>	These are facilities to provide medical treatment, nursing care under medical supervision, functional training and other necessary medical services as well as everyday care with the aim of returning people requiring nursing care to a self-independent state and living at their own homes.	Medical Corporations
<b>Integrated facilities for medical and long-term care</b>	Established in April 2018, these are facilities that provide everyday medical supervision, a certain level of nursing care and residential functions to elderly people who require long-term recuperation. End-of-life care and deathwatch are also available.	Medical Corporations

# Appendix



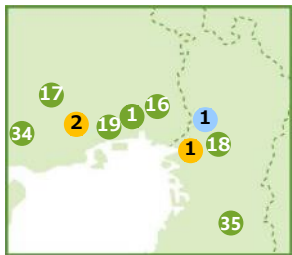


# Portfolio Map

Ratio of investment in  
three major  
metropolitan areas

**82.8%**

Strategic  
investment in  
three major  
metropolitan areas



Tokyo metropolitan area

**43.2%**

Kinki area **38.0%**

Chubu area **1.6%**

Core cities **15.0%**

Other areas **2.2%**

Paid nursing home	34	SOMPO CARE La vie Re Kobe-ikawadani
	35	SOMPO CARE Somo no ie Sayama
	36	Royal Kawaguchi
	37	NOAH GARDEN LEGEND
	38	NOAH GARDEN L Grace
	39	NOAH GARDEN Season Bell
	40	Heartland Kawaguchi Meiseien
	41	Granda Minamiurawa
	42	Madoka Minamiurawa
Serviced housing for the elderly	1	SOMPO CARE Somo no ie Awajiekimae
	2	SOMPO CARE Somo no ie Kobekamisawa
	3	NOAH GARDEN CASA RICH
Medical service-related facilities, etc.	1	Niigata Rehabilitation Hospital
Complex of paid nursing homes, medical service-related facilities, etc.	1	SHIP SENRI BUILDING

Paid nursing home






1	AQUAMARINE Nishinomiya
2	Bonjour Chitose-funabashi
3	Bonjour Hino
4	Bonjour Musashi-shinjo
5	Medical Rehabilitation Home Bonjour Hadanoshibusawa
6	Medical Rehabilitation Home Bonjour Komaki
7	ASHEIM Hikarigaoka
8	ASHEIM Bunkyo-hakusan
9	SOMPO CARE La vie Re Machidaonaji
10	SOMPO CARE La vie Re Azamino
11	SAWAYAKA Tachibanakan
12	SAWAYAKA Mekarikan
13	SAWAYAKA Tagawakan
14	GOOD TIME HOME Fudo-mae
15	Bonjour Yotsugi
16	Medical Home Bonjour Itami
17	Kobe Gakuentoshi Building (Hapine Kobe Gakuentoshi)
18	GreenLife Moriguchi
19	Hapine Kobe Uozaki Nibankan
20	Granda Tsuruma-Yamato
21	Smiling Home Medice Adachi
22	Aikoen Ichibankan Building (Aikoen Ichibankan)
23	Hanakotoba Minami
24	Hanakotoba Miura
25	SOMPO CARE La vie Re Hama-Kawasaki
26	Hanakotoba Shin-Yokohama
27	Hanakotoba Shin-Yokohama II
28	Hanakotoba Odawara
29	Verde Minowa
30	Verde Hotaka
31	Sunny Life Kita-Shinagawa
32	Sunny Life Kamakura
33	Nichii Home Nishikokubunji

# Details of Portfolio①

Paid nursing home				
①	②	③	④	⑤
AQUAMARINE Nishinomiya	Bonjour Chitose-funabashi	Bonjour Hino	Bonjour Musashi-shinjo	Medical Rehabilitation Home Bonjour Hadanoshibusawa
				




Location	4-15-2 Nishinomiya, Nishinomiya-shi, Hyogo	1-37-3 Funabashi, Setagaya-ku, Tokyo	438-1 Ochikawa, Hino-shi, Tokyo	773-2 Chitose, Takatsu-ku, Kawasaki-shi, Kanagawa	1-6-60 Shibusawakami, Hadano-shi, Kanagawa
Nearest station	Hanshin Nishinomiya Station on the Hanshin Main Line	Chitose-Funabashi Station on the Odakyu Odawara Line	Mogusaen Station on the Keio Line	Musashi-Shinjo Station on the JR Nambu Line	Shibusawa Station on Odakyu Odawara Line
Construction completion	May 2007	March 1988	May 1990	February 1985	July 1991
Acquisition period	Fiscal period ended July 2015	Fiscal period ended July 2015	Fiscal period ended July 2015	Fiscal period ended July 2015	Fiscal period ended July 2015
Appraisal NOI <sup>(Note 1)</sup>	117 million yen	48 million yen	43 million yen	39 million yen	47 million yen
Appraisal NOI yield <sup>(Note 1)</sup>	6.0%	5.9%	6.0%	6.8%	6.5%
Appraisal value <sup>(Note 1)</sup>	2,100 million yen	997 million yen	818 million yen	643 million yen	850 million yen
Acquisition price (ratio)	1,950 million yen (2.5%)	824 million yen (1.0%)	724 million yen (0.9%)	582 million yen (0.7%)	728 million yen (0.9%)
Site area	2,587.93 m <sup>2</sup>	1,020.92 m <sup>2</sup>	2,211.28 m <sup>2</sup>	1,233.49 m <sup>2</sup>	2,588.04 m <sup>2</sup>
Leasable area	5,274.54 m <sup>2</sup>	2,342.17 m <sup>2</sup>	1,984.17 m <sup>2</sup>	1,710.43 m <sup>2</sup>	3,435.79 m <sup>2</sup>
Structure/ number of floors <sup>(Note 2)</sup>	RC, 5F	RC, B1 6F	RC, 3F	RC, 4F	RC, 5F
Number of rooms/resident capacity	90 rooms, 100 people	42 rooms, 47 people	56 rooms, 58 people	46 rooms, 49 people	100 rooms, 101 people
occupancy rate <sup>(Note 3)</sup>	99.0%	78.7%	86.2%	91.8%	87.1%
Operator	GREEN LIFE	Benesse Style Care	Benesse Style Care	Benesse Style Care	Benesse Style Care
Remaining years of lease agreement <sup>(Note 4)</sup>	14.8 years	3.8 years	3.8 years	4.3 years	4.8 years

# Details of Portfolio②

Paid nursing home				
⑥	⑦	⑧	⑨	⑩
Medical Rehabilitation Home Bonsejour Komaki	ASHEIM Hikarigaoka	ASHEIM Bunkyo-hakusan	SOMPO CARE La vie Re Machida-onoji	SOMPO CARE La vie Re Azamino
				

Location	3-1 Shiroyama, Komaki-shi, Aichi	4-3-23 Yahara, Nerima-ku, Tokyo	4-36-13 Hakusan, Bunkyo-ku, Tokyo	1612 Onojimachi, Machida-shi, Tokyo	19-24 Ayumigaoka, Tsuzuki-ku, Yokohama-shi, Kanagawa
Nearest station	Ajioka Station on the Meitetsu Komaki Line	Shakujii-Koen Station on the Seibu Ikebukuro Line	Hakusan Station on the Toei Subway Mita Line	Keio Nagayama Station on the Keio Sagamihara Line Odakyu Nagayama Station on the Odakyu Tama Line	Nakagawa Station on the Yokohama Municipal Subway Blue Line
Construction completion	March 1991	March 2006	February 2007	October 2007	March 2004
Acquisition period	Fiscal period ended July 2015	Fiscal period ended July 2015	Fiscal period ended July 2015	Fiscal period ended July 2015	Fiscal period ended July 2015
Appraisal NOI <sup>(Note 1)</sup>	92 million yen	76 million yen	74 million yen	193 million yen	156 million yen
Appraisal NOI yield <sup>(Note 1)</sup>	7.3%	5.5%	5.2%	5.3%	5.1%
Appraisal value <sup>(Note 1)</sup>	1,450 million yen	1,560 million yen	1,750 million yen	4,050 million yen	3,400 million yen
Acquisition price (ratio)	1,270 million yen (1.6%)	1,385 million yen (1.8%)	1,430 million yen (1.8%)	3,580 million yen (4.6%)	3,050 million yen (3.9%)
Site area	8,229.85 m <sup>2</sup>	2,868.46 m <sup>2</sup>	540.29 m <sup>2</sup>	7,404.13 m <sup>2</sup>	2,748.64 m <sup>2</sup>
Leasable area	8,858.49 m <sup>2</sup>	3,628.60 m <sup>2</sup>	2,507.25 m <sup>2</sup>	7,720.17 m <sup>2</sup>	5,789.25 m <sup>2</sup>
Structure/ number of floors <sup>(Note 2)</sup>	SRC RC S, 10F	RC, 3F	RC, 8F	RC, B1 6F	RC, B1 5F
Number of rooms/resident capacity	124 rooms, 165 people	83 rooms, 89 people	50 rooms, 52 people	163 rooms, 169 people	145 rooms, 145 people
occupancy rate <sup>(Note 3)</sup>	78.8%	91.0%	82.7%	67.5%	99.3%
Operator	Benesse Style Care	AS PARTNERS	AS PARTNERS	Sompo Care	Sompo Care
Remaining years of lease agreement <sup>(Note 4)</sup>	4.8 years	11.6 years	4.6 years	5.2 years	4.9 years

# Details of Portfolio③

Paid nursing home				
⑪	⑫	⑬	⑭	⑮
SAWAYAKA Tachibanakan	SAWAYAKA Mekarikan	SAWAYAKA Tagawakan	GOOD TIME HOME Fudo-mae	Bonjour Yotsugi
				

<b>Location</b>	173-15 Oaza Ryugeji, Hakata-ku, Fukuoka-shi, Fukuoka	1-9-15 Okubo, Moji-ku, Kitakyushu-shi, Fukuoka	393-1 Oaza Ita, Tagawa-shi, Fukuoka	5-25-13 Nishigotanda, Shinagawa-ku, Tokyo	3-1-11 Higashiyotsugi, Katsushika-ku, Tokyo
<b>Nearest station</b>	Sasahara Station on the JR Kagoshima Honsen Line	Mojiko Station on the JR Kagoshima Honsen Line	Magarikane Station on the Heisei Chikuho Railway Tagawa Line	Fudo-mae Station on the Tokyu Meguro Line	Yotsugi Station on the Keisei Railway Oshiage Line
<b>Construction completion</b>	October 2005	November 2005	January 2006	March 1992	March 1989
<b>Acquisition period</b>	Fiscal period ended July 2015	Fiscal period ended July 2015	Fiscal period ended July 2015	Fiscal period ended July 2015	Fiscal period ended July 2016
<b>Appraisal NOI <sup>(Note 1)</sup></b>	93 million yen	85 million yen	25 million yen	91 million yen	47 million yen
<b>Appraisal NOI yield <sup>(Note 1)</sup></b>	6.1%	6.2%	6.4%	5.2%	5.7%
<b>Appraisal value <sup>(Note 1)</sup></b>	1,580 million yen	1,450 million yen	391 million yen	2,050 million yen	886 million yen
<b>Acquisition price (ratio)</b>	1,520 million yen (1.9%)	1,380 million yen (1.8%)	390 million yen (0.5%)	1,740 million yen (2.2%)	824 million yen (1.0%)
<b>Site area</b>	3,359.66 m <sup>2</sup>	3,758.26 m <sup>2</sup>	4,300.90 m <sup>2</sup>	1,206.60 m <sup>2</sup>	1,136.46 m <sup>2</sup>
<b>Leasable area</b>	5,652.94 m <sup>2</sup>	4,720.46 m <sup>2</sup>	2,366.20 m <sup>2</sup>	3,400.20 m <sup>2</sup>	1,962.89 m <sup>2</sup>
<b>Structure/number of floors <sup>(Note 2)</sup></b>	RC, B1 6F	RC, 4F	RC, 3F	RC, B1 5F	RC, 5F
<b>Number of rooms/resident capacity</b>	104 rooms, 104 people	95 rooms, 95 people	60 rooms, 60 people	61 rooms, 67 people	61 rooms, 65 people
<b>occupancy rate <sup>(Note 3)</sup></b>	95.2%	81.1%	96.7%	86.6%	81.5%
<b>Operator</b>	Sawayaka Club	Sawayaka Club	Sawayaka Club	JAPAN LIFEDESIGN	Benesse Style Care
<b>Remaining years of lease agreement <sup>(Note 4)</sup></b>	5.5 years	5.5 years	5.5 years	4.3 years	3.4 years

# Details of Portfolio④

Paid nursing home					
	⑬	⑰	⑱	⑲	⑳
	Medical Home Bonsejour Itami	Kobe Gakuentoshi Building (Hapine Kobe Gakuentoshi)	GreenLife Moriguchi	Hapine Kobe Uozaki Nibankan	Granda Tsuruma-Yamato
					
Location	1-2-25 Chuo, Itami-shi, Hyogo	1-1-2 Gakuennishimachi, Nishi-ku, Kobe-shi, Hyogo	6-17-34 Satanakamachi, Moriguchi-shi, Osaka	8-10-7 Uozakiminamimachi, Higashinada-ku, Kobe-shi, Hyogo	2-3-41 Shimotsuruma, Yamato-shi, Kanagawa
Nearest station	Hankyu Itami Station on the Hankyu Railway Itami Line	Gakuentoshi Station on the Kobe Municipal Subway Seishin-Yamate Line	Dainichi Station on the Osaka Municipal Subway Tanimachi Line and Osaka Monorail	Uozaki Station on the Hanshin Electric Railway	Tsuruma Station on the Odakyu Enoshima Line
Construction completion	March 1989	January 2009	September 2006	March 2010	March 1998
Acquisition period	Fiscal period ended July 2016	Fiscal period ended July 2017	Fiscal period ended July 2017	Fiscal period ended July 2017	Fiscal period ended July 2017
Appraisal NOI <sup>(Note 1)</sup>	38 million yen	227 million yen	220 million yen	48 million yen	53 million yen
Appraisal NOI yield <sup>(Note 1)</sup>	7.5%	5.2%	5.3%	5.2%	5.3%
Appraisal value <sup>(Note 1)</sup>	557 million yen	4,540 million yen	4,500 million yen	995 million yen	1,060 million yen
Acquisition price (ratio)	514 million yen (0.7%)	4,320 million yen (5.5%)	4,150 million yen (5.3%)	930 million yen (1.2%)	1,000 million yen (1.3%)
Site area	1,976.11 m <sup>2</sup>	2,742.81 m <sup>2</sup>	5,872.83 m <sup>2</sup>	932.94 m <sup>2</sup>	2,877.11 m <sup>2</sup>
Leasable area	2,129.87 m <sup>2</sup>	12,636.48 m <sup>2</sup>	8,356.85 m <sup>2</sup>	1,772.89 m <sup>2</sup>	3,427.08 m <sup>2</sup>
Structure/ number of floors <sup>(Note 2)</sup>	SRC, 11F (Exclusive portion)	RC, B1 9F	S RC, 9F	S, B1 4F	RC S, 5F
Number of rooms/resident capacity	62 rooms, 64 people	131 rooms, 138 people	155 rooms, 189 people	47 rooms, 47 people	73 rooms, 90 people
occupancy rate <sup>(Note 3)</sup>	82.8%	92.8%	100.0%	95.7%	76.7%
Operator	Benesse Style Care	GREEN LIFE	GREEN LIFE	GREEN LIFE	Benesse Style Care
Remaining years of lease agreement <sup>(Note 4)</sup>	4.8 years	18.6 years	17.2 years	18.6 years	1.6 years



# Details of Portfolio⑤

Paid nursing home				
②①	②②	②③	②④	②⑤
Smiling Home Medice Adachi	Aikoen Ichibankan Building (Aikoen Ichibankan)	Hanakotoba Minami	Hanakotoba Miura	SOMPO CARE La vie Re Hama-Kawasaki
				

Location	3-35-10 Minamihanabatake, Adachi-ku, Tokyo	1-3239-1 Tamachi, Chuo-ku, Niigata-shi, Niigata	2-4-38 Shinkawacho, Minami-ku, Yokohama-shi, Kanagawa	3-5 Suwacho, Miura-shi, Kanagawa	23-1 Tajimacho, Kawasaki-ku, Kawasaki-shi, Kanagawa
Nearest station	Rokucho Station on the Tsukuba Express	Niigata Station on the JR Shinetsu Main Line	Yoshinocho Station on the Yokohama Municipal Subway Blue Line	Misakiguchi Station on the Keikyu Kurihama Line	Odasakae Station on the JR Nambu Line
Construction completion	November 2005	February 2010	February 2010	June 2007	March 2007
Acquisition period	Fiscal period ended July 2017	Fiscal period ended July 2017	Fiscal period ended January 2019	Fiscal period ended January 2019	Fiscal period ended July 2019
Appraisal NOI <sup>(Note 1)</sup>	120 million yen	45 million yen	56 million yen	35 million yen	89 million yen
Appraisal NOI yield <sup>(Note 1)</sup>	5.3%	5.8%	5.2%	5.6%	5.2%
Appraisal value <sup>(Note 1)</sup>	2,500 million yen	860 million yen	1,240 million yen	668 million yen	1,810 million yen
Acquisition price (ratio)	2,253 million yen (2.9%)	770 million yen (1.0%)	1,071 million yen (1.4%)	615 million yen (0.8%)	1,710 million yen (2.2%)
Site area	2,069.41 m <sup>2</sup>	2,597.52 m <sup>2</sup>	428.76 m <sup>2</sup>	1,017.55 m <sup>2</sup>	2,832.33 m <sup>2</sup>
Leasable area	3,870.98 m <sup>2</sup>	4,311.20 m <sup>2</sup>	1,710.68 m <sup>2</sup>	1,959.64 m <sup>2</sup>	4,060.21 m <sup>2</sup>
Structure/ number of floors <sup>(Note 2)</sup>	RC, 4F	S, 5F	RC, 7F	RC, 4F	RC, 4F (exclusively-owned portion)
Number of rooms/resident capacity	82 rooms, 82 people	90 rooms, 90 people	51 rooms, 51 people	53 rooms, 54 people	58 rooms, 58 people
occupancy rate <sup>(Note 3)</sup>	93.9%	91.1%	90.2%	85.2%	89.7%
Operator	GREEN LIFE HIGASHI NIHON Co., Ltd.	Medical Corporation AIKOKAI	Proud Life Inc.	Proud Life Inc.	Sompo Care
Remaining years of lease agreement <sup>(Note 4)</sup>	14.5 years	14.0 years	10.3 years	10.3 years	5.4 years

# Details of Portfolio⑥

Paid nursing home				
②⑥	②⑦	②⑧	②⑨	③⑦
Hanakotoba Shin-Yokohama	Hanakotoba Shin-Yokohama II	Hanakotoba Odawara	Verde Minowa	Verde Hotaka
				

<b>Location</b>	1-11-5 Shinyokohama, Kohoku-ku, Yokohama-shi, Kanagawa	1-11-11 Shinyokohama, Kohoku-ku, Yokohama-shi, Kanagawa	3-9-12 Sakawa, Odawara-shi, Kanagawa	839-4 Aza Machiyabo, Kamishiba, Misatomachi, Takasaki-shi, Gunma	1221 Aza Maebara, Oaza Namashina, Kawaba-mura, Tone-gun, Gunma
<b>Nearest station</b>	Shin-Yokohama Station on the Yokohama Municipal Subway Blue Line and the JR Yokohama Line	Shin-Yokohama Station on the Yokohama Municipal Subway Blue Line and the JR Yokohama Line	Kamonomiya Station on the JR Tokaido Line	Takasaki Station on the JR Takasaki Line	Numata Station on the JR Joetsu Line
<b>Construction completion</b>	March 2004	April 2007	September 2009	November 2003 (Building 1) February 1974 (Building 2)	September 1982 (Building 1) July 1989 (Building 2)
<b>Acquisition period</b>	Fiscal period ended July 2019	Fiscal period ended July 2019	Fiscal period ended July 2019	Fiscal period ended July 2019	Fiscal period ended July 2019
<b>Appraisal NOI</b> (Note 1)	109 million yen	21 million yen	49 million yen	109 million yen	91 million yen
<b>Appraisal NOI yield</b> (Note 1)	5.2%	5.8%	5.6%	6.7%	6.9%
<b>Appraisal value</b> (Note 1)	2,400 million yen	383 million yen	946 million yen	1,700 million yen	1,430 million yen
<b>Acquisition price (ratio)</b>	2,071 million yen (2.6%)	375 million yen (0.5%)	880 million yen (1.1%)	1,620 million yen (2.1%)	1,328 million yen (1.7%)
<b>Site area</b>	894.00 m <sup>2</sup>	375.00 m <sup>2</sup>	1,202.12 m <sup>2</sup>	7,920.29 m <sup>2</sup>	4,375.31 m <sup>2</sup>
<b>Leasable area</b>	5,230.23 m <sup>2</sup>	1,837.29 m <sup>2</sup>	2,203.42 m <sup>2</sup>	11,098.17 m <sup>2</sup>	6,352.86 m <sup>2</sup>
<b>Structure/number of floors</b> (Note 2)	RC, 9F	RC, B1 7F	RC, 4F	S, 5F (Building 1) S RC, 8F (Building 2)	S SRC, 5F (Building 1) S, 2F (Building 2)
<b>Number of rooms/resident capacity</b>	136 rooms, 136 people	29 rooms, 30 people	60 rooms, 65 people	174 rooms, 206 people	121 rooms, 174 people
<b>occupancy rate</b> (Note 3)	86.8%	96.7%	96.9%	93.7%	98.9%
<b>Operator</b>	Proud Life Inc.	Proud Life Inc.	Proud Life Inc.	Verde Corporation	Verde Corporation
<b>Remaining years of lease agreement</b> (Note 4)	10.3 years	10.3 years	10.3 years	4.8 years	4.8 years



# Details of Portfolio⑦

Paid nursing home					
	③①	③②	③③	③④	③⑤
	Sunny Life Kita-Shinagawa	Sunny Life Kamakura	Nichii Home Nishikokubunji	SOMPO CARE La vie Re Kobe-ikawadani	SOMPO CARE Sompno ie Sayama
					
Location	3-8-6 Kitashinagawa, Shinagawa-ku, Tokyo	214-4 Aza Kichime, Kamimachiya, Kamakura-shi, Kanagawa	2-11-22 Nishikoigakubo, Kokubunji-shi, Tokyo	1745-1 Ozaki, Arise, Ikawadanicho, Nishi-ku, kobe-shi, Hyogo	548-1 Minaminoda, Higashi-ku Sakai-shi, Osaka
Nearest station	Shimbamba Station on the Keikyuu Line	Shonan-Machiya Station on the Shonan Monorail	Nishikokubunji Station on the JR Chuo Line	Ikawadani Station on the Kobe Municipal Subway Seishin-Yamate Line	Sayama Station on the Nankai Koya Line
Construction completion	September 2018	September 2014	September 1990	April 2009(New construction) December 2015(Expansion)	August 2005
Acquisition period	Fiscal period ended July 2019	Fiscal period ended July 2020	Fiscal period ended July 2021	Fiscal period ended July 2022	Fiscal period ended July 2022
Appraisal NOI <sup>(Note 1)</sup>	90 million yen	76 million yen	36 million yen	63 million yen	32 million yen
Appraisal NOI yield <sup>(Note 1)</sup>	4.9%	5.3%	5.0%	4.9%	5.4%
Appraisal value <sup>(Note 1)</sup>	2,040 million yen	1,620 million yen	760 million yen	1,300 million yen	647 million yen
Acquisition price (ratio)	1,825 million yen (2.3%)	1,418 million yen (1.8%)	720 million yen (0.9%)	1,288 million yen (1.6%)	600 million yen (0.8%)
Site area	1,105.12 m <sup>2</sup>	2,055.67 m <sup>2</sup>	1,948.41 m <sup>2</sup>	3,606.00 m <sup>2</sup>	2,264.75 m <sup>2</sup>
Leasable area	2,135.54 m <sup>2</sup>	3,817.91 m <sup>2</sup>	1,559.99 m <sup>2</sup>	3,824.54 m <sup>2</sup>	1,997.87 m <sup>2</sup>
Structure/ number of floors <sup>(Note 2)</sup>	S, 3F	S, 5F	S, 3F	RC・S, 4F	S, 3F
Number of rooms/resident capacity	66 rooms, 66 people	128 rooms, 128 people	46 rooms, 46 people	80 rooms, 80 people	50 rooms, 50 people
occupancy rate <sup>(Note 3)</sup>	89.4%	89.1%	93.5%	83.8%	92.0%
Operator	Kawashima Corporation	Kawashima Corporation	Nichii Carepalace	Sompo Care Inc.	Sompo Care Inc.
Remaining years of lease agreement <sup>(Note 4)</sup>	21.2 years	17.2 years	0.6 years (Note 5)	13.6 years	3.1 years

# Details of Portfolio⑧

Paid nursing home					
	③⑥	③⑦	③⑧	③⑨	④⑩
	Royal Kawaguchi	NOAH GARDEN LEGEND	NOAH GARDEN L Grace	NOAH GARDEN Season Bell	Heartland Kawaguchi Meiseien
					
Location	2-5-24 Aoki, Kawaguchi-shi, Saitama	10-4-3 2-Jo, Utsukushigaoka, Kiyota-ku, Sapporo-shi, Hokkaido	10-4-1 2-Jo, Utsukushigaoka, Kiyota-ku, Sapporo-shi, Hokkaido	5-3-1 1-Jo, Fukuzumi, Toyohira-ku, Sapporo-shi, Hokkaido	3-10-17 Kamiaoki, Kawaguchi-shi, Saitama
Nearest station	Kawaguchi-Motogo Station on the Saitama Railway	Kaminoppo Station on the JR Chitose Line	Kaminoppo Station on the JR Chitose Line	Fukuzumi Station on the Sapporo City Subway	Hatogaya Station on the Saitama Railway
Construction completion	October 2008	October 2015	October 2017	December 2019	January 2006
Acquisition period	Fiscal period ended July 2022	Fiscal period ended July 2022	Fiscal period ended July 2022	Fiscal period ended July 2022	Fiscal period ended July 2022
Appraisal NOI <sup>(Note 1)</sup>	62 million yen	48 million yen	35 million yen	78 million yen	100 million yen
Appraisal NOI yield <sup>(Note 1)</sup>	4.9%	5.6%	5.6%	5.8%	5.0%
Appraisal value <sup>(Note 1)</sup>	1,310 million yen	910 million yen	660 million yen	1,520 million yen	2,180 million yen
Acquisition price (ratio)	1,260 million yen (1.6%)	859 million yen (1.1%)	622 million yen (0.8%)	1,350 million yen (1.7%)	2,000 million yen (2.5%)
Site area	2,294.91㎡	9,012.28㎡	9,012.28㎡	3,636.38㎡	1,996.66㎡
Leasable area	3,484.02㎡	2,736.89㎡	2,075.25㎡	4,602.26㎡	3,885.90㎡
Structure/ number of floors <sup>(Note 2)</sup>	RC, 3F	RC, 4F	RC, 4F	RC, 5F	RC, 6F
Number of rooms/resident capacity	56 rooms, 56 people	72 rooms, 72 people	51 rooms, 51 people	136 rooms, 136 people	97 rooms, 100 people
occupancy rate <sup>(Note 3)</sup>	87.5%	81.9%	92.2%	66.2%	100.0%
Operator	SENIOR LIFE SUPPORT	NOAH KONZER	NOAH KONZER	NOAH KONZER	MEISHO
Remaining years of lease agreement <sup>(Note 4)</sup>	27.1 years	27.6 years	27.6 years	29.6 years	9.1 years

# Details of Portfolio⑨

	Paid nursing home		Serviced housing for the elderly		
	④1	④2	①	②	③
	Granda Minamiurawa	Madoka Minamiurawa	SOMPO CARE Sompō no ie Awajiekimae	SOMPO CARE Sompō no ie Kobekamisawa	NOAH GARDEN CASA RICH
					
Location	63-2 Nishinotsuma, Koyaba, Kawaguchi-shi, Saitama	58 Nishinotsuma, Koyaba, Kawaguchi-shi, Saitama	3-20-26 Awaji, Higashiyodogawa-ku, Osaka-shi, Osaka	8-2-5 Kamisawadori, Hyogo-ku, Kobe-shi, Hyogo	10-4-5 2-Jo, Utsukushigaoka, Kiyota-ku, Sapporo-shi, Hokkaido
Nearest station	Minami-Urawa Station on the JR Keihin-Tohoku Line	Minami-Urawa Station on the JR Keihin-Tohoku Line	Awaji Station on the Hankyu Railway Kyoto and Senri Lines	Kamisawa Station on the Kobe Municipal Subway Seishin-Yamate Line	Kaminopporo Station on the JR Chitose Line
Construction completion	July 2011	April 2005	June 2009	June 2009	March 2015(New construction) October 2016(Expansion)
Acquisition period	Fiscal period ended July 2022	Fiscal period ended July 2022	Fiscal period ended July 2015	Fiscal period ended July 2015	Fiscal period ended July 2022
Appraisal NOI <sup>(Note 1)</sup>	49 million yen	39 million yen	116 million yen	72 million yen	91 million yen
Appraisal NOI yield <sup>(Note 1)</sup>	4.8%	4.8%	6.0%	6.0%	5.6%
Appraisal value <sup>(Note 1)</sup>	1,100 million yen	883 million yen	2,250 million yen	1,390 million yen	1,730 million yen
Acquisition price (ratio)	1,022 million yen (1.3%)	822 million yen (1.0%)	1,930 million yen (2.9%)	1,200 million yen (1.8%)	1,619 million yen (2.1%)
Site area	2,620.05㎡	2,620.05㎡	1,251.26 m <sup>2</sup>	743.22 m <sup>2</sup>	9,012.28㎡
Leasable area	2,373.25㎡	1,918.98㎡	5,745.15 m <sup>2</sup>	4,058.35 m <sup>2</sup>	4,986.98㎡
Structure/ number of floors <sup>(Note 2)</sup>	S, 3F	S, 3F	RC, 12F	S, 9F	RC, 4F (SECOND COURT : 5F)
Number of rooms/resident capacity	58 rooms, 60 people	54 rooms, 54 people	137rooms, 137 people	85 rooms, 85 people	115 rooms, 115 people
occupancy rate <sup>(Note 3)</sup>	90.0%	87.0%	84.7%	87.1%	85.2%
Operator	Benesse Style Care	Benesse Style Care	Sompo Care	Sompo Care	NOAH KONZER
Remaining years of lease agreement <sup>(Note 4)</sup>	18.9 years	2.7 years	12.0 years	12.0 years	28.1 years

# Details of Portfolio⑩

Medical service-related facilities, etc.	Paid nursing home・medical service-related facilities, etc.
①	①
Niigata Rehabilitation Hospital	SHIP SENRI BUILDING



<b>Location</b>	761 Kizaki, Kita-ku, Niigata-shi, Niigata	1-4-3 Shinsenri-higashimachi, Toyonaka-shi, Osaka
<b>Nearest station</b>	Hayadori Station on the JR Hakushin Line	Senri-Chuo Station on the Kita-Osaka Kyuko Namboku Line and the Osaka Monorail
<b>Construction completion</b>	April 1990 (Building 1) February 2001 (Building 2)	September 2008
<b>Acquisition period</b>	Fiscal period ended January 2018	Fiscal period ended July 2019
<b>Appraisal NOI</b> <sup>(Note 1)</sup>	153 million yen	679 million yen
<b>Appraisal NOI yield</b> <sup>(Note 1)</sup>	7.4%	5.2%
<b>Appraisal value</b> <sup>(Note 1)</sup>	2,300 million yen	14,200 million yen
<b>Acquisition price (ratio)</b>	2,060 million yen (2.6%)	12,920 million yen (16.5%)
<b>Site area</b>	15,056.85 m <sup>2</sup>	4,202.65 m <sup>2</sup>
<b>Leasable area</b>	13,476.55 m <sup>2</sup>	24,813.85 m <sup>2</sup>
<b>Structure/ number of floors</b> <sup>(Note 2)</sup>	RC, 3F (Building 1) S, 5F (Building 2)	RC, B1 11F
<b>Number of rooms/resident capacity</b>	168 beds	Hospital: 400 beds Paid nursing home: 181 rooms, 200 people
<b>occupancy rate</b> <sup>(Note 3)</sup>	-	Paid nursing home: 100 %
<b>Operator</b>	Medical Corporation AIKOKAI	Kyowakai Medical Corporation GREEN LIFE
<b>Remaining years of lease agreement</b> <sup>(Note 4)</sup>	24.6 years	16.2 years

(Note 1) Figures in Appraisal NOI, Appraisal NOI yield and Appraisal Value are as of July 31, 2022. Appraisal NOI is rounded down to the nearest million yen and Appraisal NOI yield to the first decimal place.







(Note 2) As for abbreviation used in Structure column, SRC refers to steel-reinforced concrete, RC refers to reinforced concrete and S refers to steel structure.

(Note 3) The bed occupancy rate indicates the ratio obtained by dividing the number of residents by the capacity, rounded off to the first decimal place. The number of residents used in the calculation is described in the latest Property Disclosure Statement of Important Matters, which the Asset Management Company obtained as of the date of preparing this document, for the facilities and housing for the elderly owned by HCM.

(Note 4) Remaining years of lease agreement is as of July 31, 2022, rounded down to the first decimal place.









(Note 5) As of the date of this document, the lease period has been extended to March 11, 2028.

## Operator List①

Operator name		Number of facilities (Note 1)		Attribute	Remarks	Facilities owned by HCM	Share (%) (Note 2)
		Facilities and housing for the elderly	Hospital				
GREEN LIFE Co., Ltd.		28	—	A consolidated subsidiary of SHIP HEALTHCARE HOLDINGS, INC., which is listed on the TSE Prime Market	A nursing care business that plays a central role in the Lifecare Business of SHIP HEALTHCARE HOLDINGS, INC. Operates nursing care facilities nationwide.	AQUAMARINE Nishinomiyahama Kobe Gakuentoshi Building (Hapine Kobe Gakuentoshi) GreenLife Moriguchi Hapine Kobe Uozaki Nibankan Smiling Home Medice Adachi SHIP SENRI BUILDING	24.1 (Note 3)
GREEN LIFE HIGASHI NIHON Co., Ltd.		38	—				
Sompo Care Inc.		452	—	A consolidated subsidiary of Sompo Holdings, Inc., which is listed on the TSE Prime Market	Mainly operates paid nursing homes with care service under the Sompo Care La vie Re brand and mid-to low-end homes under the SOMPO CARE Sompo no ie brand and the SOMPO CARE Sompo no ie S brand, centering on three major metropolitan areas.	SOMPO CARE La vie Re Machidaonaji SOMPO CARE La vie Re Azamino SOMPO CARE Sompo no ie Awajiekimae SOMPO CARE Sompo no ie Kobekamisawa SOMPO CARE La vie Re Hama-Kawasaki SOMPO CARE La vie Re Kobe-ikawadani SOMPO CARE Sompo no ie Sayama	17.0
Benesse Style Care Co., Ltd.		343	—	A consolidated subsidiary of Benesse Holdings, Inc., which is listed on the TSE Prime Market	Operates seven brands in Tokyo, Osaka, Nagoya, and elsewhere in Japan. The brands are mainly mid-to high-end, such as Bonsejour and GRANNY AND GRANDA.	Bonsejour Chitose-funabashi Bonsejour Hino Bonsejour Musashi-shinjo Medical Rehabilitation Home Bonsejour Hadanoshibusawa Medical Rehabilitation Home Bonsejour Komaki Bonsejour Yotsugi Medical Home Bonsejour Itami Granda Tsuruma-Yamato Granda Minamiurawa Madoka Minamiurawa	10.6
Kyowakai Medical Corporation		4 (Note 4)	7	-	A major medical corporation operating a wide range of businesses including six hospitals (2,276 beds), four long-term care health facilities (495 beds), and home care support. Provides safe and convenient medical/nursing care services ranging from acute-stage medical care to rehabilitation, home medical care, and nursing care.	SHIP SENRI BUILDING (Senri-Chuo Hospital)	9.7
Proud Life Inc.		31	—	A consolidated subsidiary of Sony Group Corporation, which is listed on the TSE Prime Market	A former Yuuai Holdings Group company. Operates paid nursing homes, etc. under the “Hanakotoba” brand, centering on Kanagawa Prefecture. Affiliated with Sony Financial Holdings Inc. since 2017.	Hanakotoba Minami Hanakotoba Miura Hanakotoba Odawara Hanakotoba Shin-Yokohama Hanakotoba Shin-Yokohama II	6.4
NOAH KONZER Co.,Ltd		23	—	Unlisted company	The company operates facilities and for the elderly in Sapporo City, and the number of facilities serviced housing for the elderly and the number of units they operate rank first in Hokkaido. The company is a comprehensive welfare service provider also engaging in the development of medication support systems and rental of assistive products with its affiliated companies providing meal services, designing and constructing medical/nursing care facilities, etc.	NOAH GARDEN LEGEND NOAH GARDEN L Grace NOAH GARDEN Season Bell NOAH GARDEN CASA RICH	5.7



# V Appendix Operator List②

Operator name		Number of facilities (Note 1)		Attribute	Remarks	Facilities owned by HCM	Share (%) (Note 2)
		Facilities and housing for the elderly	Hospital				
Sawayaka Club Co., Ltd.		94	—	A of UCHIYAMA HOLDINGS Co., Ltd., which is listed on the TSE Standard Market	Operates facilities under the SAWAYAKA brand (low price range without advance fees) around Japan, centering on Fukuoka Prefecture.	SAWAYAKA Tachibanakan SAWAYAKA Mekarikan SAWAYAKA Tagawakan	4.2
Kawashima Corporation		145	—	Unlisted company	A major nursing care business operator operating nationwide centering on the Tokyo Metropolitan Area, with Sunny Life as the main brand and under the motto "Encourage the elderly and the family to get relieved from exhausting nursing care." None of their facilities requires initial fees.	Sunny Life Kita-Shinagawa Sunny Life Kamakura	4.1
Verde Corporation		6	—	Unlisted company	A core company of the Hotaka Kai Group, a nursing care/welfare business group holding the largest number of rooms in Gunma Prefecture.	Verde Minowa Verde Hotaka	3.8
Medical Corporation AIKOKAI		13	2	A medical corporation which belongs to NSG Group with sales of over 110 billion yen (Note 5)	Operating hospitals and clinics as well as paid nursing home with care service, group home and long-term care health facilities in Niigata Prefecture	Aikoen Ichibankan Building (Aikoen Ichibankan) Niigata Rehabilitation Hospital	3.6
AS PARTNERS Co., Ltd.		22	—	Unlisted company	Operates paid nursing homes and day service facilities under the ASHEIM brand in the Tokyo Metropolitan Area.	ASHEIM Hikarigaoka ASHEIM Bunkyo-hakusan	3.6
Meisho Co., Ltd.		31	—	Unlisted company	Having Sonoda Medical Corporation as its parent organization, the company operates paid nursing homes and such in Tokyo, Saitama and Chiba Prefectures.	Heartland Kawaguchi Meiseien	2.5
JAPAN LIFEDESIGN Inc.		3	—	Unlisted company (Capital partnership by Nomura Real Estate Holdings, Inc.)	Operates paid nursing homes under the GOOD TIME HOME brand in Tokyo. Operates in Kyushu and Hokkaido besides the Tokyo Metropolitan Area through SOUSEI JIGYODAN Co., Ltd., the parent company, and other subsidiaries.	GOOD TIME HOME Fudo-mae	2.2
SENIOR LIFE SUPPORT Co.,Ltd		2	—	A affiliate of Zensho Holdings Co., Ltd., which is listed on the TSE Prime Market	The company is a nursing care service provider under the umbrella of Zensho Holdings Co., Ltd., which operates food service and such.	Royal Kawaguchi	1.6
Nichii Carepalace Company		81	—	A consolidated subsidiary of NICHII GAKKAN CO., LTD., which is unlisted company	Nichii Carepalace Company operates "Nichii Home", a paid nursing home, and "Iris Garden", serviced housing for the elderly, mainly in the Tokyo metropolitan area. It is a core company that promotes in-home nursing care for the Nichii Group, which operates nationwide, focusing on nursing care, medical care, and education.	Nichii Home Nishikokubunji	0.9

(Note 1) "Number of facilities" indicates figures tallied by the Asset Management Company based on information obtained from each company (including announced materials) and information on its website (as of March 31, 2022).

(Note 2) Shares based on acquisition price are indicated. Furthermore, the operators of SHIP Senri Building are separated based on an area basis, with Kyowakai Medical Corporation for the Senri-Chuo Hospital portion and GREEN LIFE Co., Ltd. for the other portions.

(Note 3) The share of GREEN LIFE HIGASHI NIHON Co., Ltd. is 2.9%.

(Note 4) Only the number of long-term care health facilities is indicated.

(Note 5) Indicates the actual figures in September 2021 based on NSG Group's website.

# Summary of Appraisal Report①

Property name	Appraisal company	End of July 2022 Appraisal value (million yen) (A)	Summary of Appraisal Report (Note 1)						End of January 2022 Appraisal value (million yen) (B)	Difference (million yen) (A)-(B)
			Direct capitalization method		DCF method			Appraisal NOI (million yen) (Note 3)		
			Indicated value (million yen)	Capitalization rate (%)	Indicated value (million yen)	Discount rate (%) (Note 2)	Terminal capitalization rate (%)			
AQUAMARINE Nishinomiyahama	Rich Appraisal Institute Co., Ltd.	2,100	2,110	5.2	2,090	4.9	5.4	117	2,100	0
Bonsejour Chitose-funabashi	The Tanizawa Sogo Appraisal Co., Ltd.	997	1,020	4.3	987	4.4	4.5	48	974	+23
Bonsejour Hino	The Tanizawa Sogo Appraisal Co., Ltd.	818	832	4.8	812	4.9	5.0	43	818	0
Bonsejour Musashi-shinjo	The Tanizawa Sogo Appraisal Co., Ltd.	643	653	5.1	638	5.2	5.3	39	643	0
Medical Rehabilitation Home Bonsejour Hadanoshibusawa	The Tanizawa Sogo Appraisal Co., Ltd.	850	864	5.0	844	5.1	5.2	47	850	0
Medical Rehabilitation Home Bonsejour Komaki	The Tanizawa Sogo Appraisal Co., Ltd.	1,450	1,460	5.5	1,440	5.6	5.7	92	1,450	0
ASHEIM Hikarigaoka	Japan Real Estate Institute	1,560	1,560	4.6	1,550	4.4	4.7	76	1,520	+40
ASHEIM Bunkyohakusan	Japan Real Estate Institute	1,750	1,760	4.2	1,740	4.0	4.3	74	1,680	+70
SOMPO CARE La vie Re Machidaonoji	Japan Real Estate Institute	4,050	4,070	4.6	4,020	4.4	4.7	193	3,940	+110
SOMPO CARE La vie Re Azamino	Japan Real Estate Institute	3,400	3,420	4.4	3,370	4.2	4.5	156	3,300	+100
SAWAYAKA Tachibanakan	Japan Real Estate Institute	1,580	1,590	5.4	1,560	5.2	5.6	93	1,550	+30
SAWAYAKA Mekarikan	Japan Real Estate Institute	1,450	1,460	5.5	1,430	5.3	5.7	85	1,430	+20
SAWAYAKA Tagawakan	Japan Real Estate Institute	391	394	5.6	387	5.4	5.8	25	383	+8
GOOD TIME HOME Fudo-mae	Japan Real Estate Institute	2,050	2,070	4.2	2,030	4.0	4.3	91	1,990	+60
Bonsejour Yotsugi	The Tanizawa Sogo Appraisal Co., Ltd.	886	902	4.7	879	4.8	4.9	47	886	0
Medical Home Bonsejour Itami	The Tanizawa Sogo Appraisal Co., Ltd.	557	566	5.1	553	5.2	5.3	38	557	0
Kobe Gakuentoshi Building (Hapine Kobe Gakuentoshi)	Daiwa Real Estate Appraisal Co., Ltd.	4,540	4,600	4.6	4,520	4.4	4.8	227	4,540	0
GreenLife Moriguchi	Daiwa Real Estate Appraisal Co., Ltd.	4,500	4,560	4.5	4,470	4.3	4.7	220	4,500	0
Hapine Kobe Uozaki Nibankan	Daiwa Real Estate Appraisal Co., Ltd.	995	1,010	4.6	988	4.4	4.8	48	995	0
Granda Tsuruma-Yamato	The Tanizawa Sogo Appraisal Co., Ltd.	1,060	1,070	4.7	1,050	4.8	4.9	53	1,060	0
Smiling Home Medice Adachi	The Tanizawa Sogo Appraisal Co., Ltd.	2,500	2,540	4.6	2,480	4.7	4.8	120	2,500	0
AIKOEN ICHIBANKAN Building	The Tanizawa Sogo Appraisal Co., Ltd.	860	864	5.2	858	5.3	5.4	45	860	0
Hanakotoba Minami	Japan Real Estate Institute	1,240	1,250	4.4	1,230	4.2	4.5	56	1,240	0
Hanakotoba Miura	The Tanizawa Sogo Appraisal Co., Ltd.	668	676	4.8	664	4.9	5.0	35	668	0
SOMPO CARE La vie Re Hama-Kawasaki	JLL Morii Valuation & Advisory K.K.	1,810	1,840	4.6	1,780	4.4	4.8	89	1,810	0



## Summary of Appraisal Report②

Property name	Appraisal company	End of July 2022 Appraisal value (million yen) (A)	Summary of Appraisal Report (Note 1)						End of January 2022 Appraisal value (million yen) (B)	Difference (million yen) (A)-(B)
			Direct capitalization method		DCF method			Appraisal NOI (million yen) (Note 3)		
			Indicated value (million yen)	Capitalization rate (%)	Indicated value (million yen)	Discount rate (%) (Note 2)	Terminal capitalization rate (%)			
Hanakotoba Shin-Yokohama	Japan Real Estate Institute	2,400	2,420	4.2	2,380	4.0	4.3	109	2,330	+70
Hanakotoba Shin-Yokohama II	Japan Real Estate Institute	383	385	5.0	380	4.8	5.2	21	383	0
Hanakotoba Odawara	The Tanizawa Sogo Appraisal Co., Ltd.	946	959	4.9	940	4.8~5.0	5.1	49	947	△1
Verde Minowa	Daiwa Real Estate Appraisal Co., Ltd.	1,700	1,710	5.0	1,690	4.8	5.2	109	1,700	0
Verde Hotaka	Daiwa Real Estate Appraisal Co., Ltd.	1,430	1,440	5.4	1,420	5.2	5.6	91	1,430	0
Sunny Life Kita-Shinagawa	Daiwa Real Estate Appraisal Co., Ltd.	2,040	2,070	4.3	2,020	4.1	4.5	90	2,040	0
Sunny Life Kamakura	The Tanizawa Sogo Appraisal Co., Ltd.	1,620	1,640	4.4	1,610	4.5	4.6	76	1,580	+40
Nichii Home Nishikokubunji	Daiwa Real Estate Appraisal Co., Ltd.	760	772	4.3	755	4.1	4.5	36	761	△1
SOMPO CARE La vie Re Kobe-ikawadani	Rich Appraisal Institute Co., Ltd.	1,300	1,320	4.3	1,290	4.1	4.5	63	—	+1,300
SOMPO CARE Sompno ie Sayama	Rich Appraisal Institute Co., Ltd.	647	656	4.7	643	4.5	4.9	32	—	+647
Royal Kawaguchi	Daiwa Real Estate Appraisal Co., Ltd.	1,310	1,320	4.3	1,300	4.1	4.5	62	—	+1,310
NOAH GARDEN LEGEND	The Tanizawa Sogo Appraisal Co., Ltd.	910	920	5.1	910	5.2	5.3	48	—	+910
NOAH GARDEN L Grace	The Tanizawa Sogo Appraisal Co., Ltd.	660	660	5.1	660	5.2	5.3	35	—	+660
NOAH GARDEN Season Bell	The Tanizawa Sogo Appraisal Co., Ltd.	1,520	1,530	5	1,520	5.1	5.2	78	—	+1,520
Heartland Kawaguchi Meiseien	Japan Real Estate Institute	2,180	2,190	4.3	2,160	4.1	4.4	100	—	+2,180
Granda Minamiurawa	Rich Appraisal Institute Co., Ltd.	1,100	1,110	4.1	1,090	3.9	4.2	49	—	+1,100
Madoka Minamiurawa	Rich Appraisal Institute Co., Ltd.	883	893	4.1	879	3.9	4.2	39	—	+883
SOMPO CARE Sompno ie Awajiekimae	Japan Real Estate Institute	2,250	2,270	5	2,230	4.8	5.2	116	2,210	+40
SOMPO CARE Sompno ie Kobekamisawa	Japan Real Estate Institute	1,390	1,400	5	1,370	4.8	5.2	72	1,360	+30
NOAH GARDEN CASA RICH	The Tanizawa Sogo Appraisal Co., Ltd.	1,730	1,740	5.1	1,720	5.2	5.3	91	—	+1,730
Niigata Rehabilitation Hospital	Japan Real Estate Institute	2,300	2,310	6.5	2,290	6.3	6.7	153	2,300	0
SHIP SENRI BUILDING	The Tanizawa Sogo Appraisal Co., Ltd.	14,200	14,400	4.5	14,100	4.5~4.6	4.7	679	14,200	0
Total		86,364	87,256	—	85,727	—	—	4,378	73,485	+12,879
Difference (except The assets acquired in 15th FP)										+639

(Note 1) "Appraisal value" is based on the appraisal report with July 31, 2022, as the appraisal date.

(Note 2) "Discount rate" represents a yield used to discount net cash flow during an analysis period and terminal value at the end of an analysis period back to present value. The indicated figures are those used by the respective appraisal organizations. For Hanakotoba Odawara, the rate is 4.8% for 1 year and 5.0% for 2 years onward; and for SHIP Senri Building, the rate is 4.5% for 1 year and 4.6% for 2 years onward.

(Note 3) "Appraisal NOI" indicates net operating income obtained by direct capitalization method stated in real estate appraisal report with July 31, 2022 as the appraisal date, rounded down to the nearest million yen. In addition, NOI is revenue before deducting depreciation and differs from NCF (net cash flow), which is the amount calculated by adding the gain on investment from security deposits, etc. to NOI and deducting capital expenditures. The same shall apply hereinafter in this document.

# V Appendix

## Status of Income/Expenditure of Properties①

(Unit: thousand yen)

Property name	Real estate lease business revenue		Real estate lease business expenses							15th FP NOI (Note 2)	14th FP NOI (Note 2)
	Rent revenue	Other revenue		Property tax	Outsourcing	Repair expenses	Insurance expenses	Depreciation and amortization	Other		
AQUAMARINE Nishinomiyahama	Not disclosed (Note 1)		24,765	4,249	2,100	468	236	17,310	400	59,888	58,459
Bonsejour Chitose-funabashi			5,607	1,813	225	-	119	3,048	401	21,366	21,400
Bonsejour Hino			5,078	1,247	214	-	85	3,130	400	19,496	19,480
Bonsejour Musashi-shinjo			4,126	1,031	167	-	80	2,447	400	16,138	16,161
Medical Rehabilitation Home Bonsejour Hadanoshibusawa			8,399	1,813	213	-	154	5,817	400	21,097	21,106
Medical Rehabilitation Home Bonsejour Komaki			14,137	4,553	201	-	355	8,627	400	39,542	39,571
ASHEIM Hikarigaoka			16,645	3,868	381	522	212	11,260	400	40,364	40,888
ASHEIM Bunkyo hakusan			12,530	2,572	381	250	129	8,795	400	38,453	38,700
SOMPO CARE La vie Re Machidaonoji			48,621	5,945	780	1,959	392	39,144	400	95,522	96,693
SOMPO CARE La vie Re Azamino			34,224	4,705	780	3,512	285	24,540	400	75,520	73,997
SAWAYAKA Tachibanakan			26,620	2,669	1,200	-	370	21,980	400	47,213	47,220
SAWAYAKA Mekarikan			26,486	2,984	1,200	-	273	21,628	400	43,375	43,402
SAWAYAKA Tagawakan			8,487	1,108	1,200	-	119	5,659	400	12,856	12,858
GOOD TIME HOME Fudo-mae			15,164	3,061	600	190	182	10,730	400	46,566	46,247
Bonsejour Yotsugi			4,934	950	223	-	73	3,286	400	20,660	20,755
Medical Home Bonsejour Itami			6,533	1,390	371	-	111	4,260	400	13,949	13,962
Kobe Gakuentoshi Building (Hapine Kobe Gakuentoshi)			52,509	9,568	900	303	579	40,758	400	114,648	114,037
GreenLife Moriguchi			39,791	6,999	1,363	3,220	379	27,428	400	107,636	106,767
Hapine Kobe Uozaki Nibankan			9,684	1,393	1,200	122	90	6,478	400	24,294	24,375
Granda Tsuruma-Yamato			7,262	1,934	618	-	152	4,158	400	27,144	27,052
Smiling Home Medice Adachi			20,140	3,327	540	4,191	177	11,503	400	56,571	59,064
AIKOEN ICHIBANKAN Building			8,477	2,552	780	-	112	4,632	400	20,564	22,814
Hanakotoba Minami			9,495	1,543	600	1,711	79	5,161	400	26,265	25,754
Hanakotoba Miura			9,902	1,555	600	998	88	6,260	400	16,766	16,676
SOMPO CARE La vie Re Hama-Kawasaki			18,846	3,463	2,770	113	206	11,891	400	45,396	45,190

# V Appendix

## Status of Income/Expenditure of Properties②

(Unit: thousand yen)

Property name	Real estate lease business revenue			Real estate lease business expenses							15th FP NOI (Note 2)	14th FP NOI (Note 2)
		Rent revenue	Other revenue		Property tax	Outsourcing	Repair expenses	Insurance expenses	Depreciation and amortization	Other		
Hanakotoba Shin-Yokohama	Not disclosed (Note 1)			17,431	4,413	900	2,926	249	8,543	400	53,024	52,450
Hanakotoba Shin-Yokohama II				5,674	2,521	600	-	92	2,061	400	11,198	10,934
Hanakotoba Odawara				9,260	1,393	600	787	99	5,981	400	24,320	24,151
Verde Minowa				26,964	5,242	1,020	260	508	19,533	400	56,477	56,788
Verde Hotaka				26,616	2,211	1,020	1,625	249	21,110	400	44,600	43,992
Sunny Life Kita-Shinagawa				10,185	2,798	600	-	119	6,265	401	45,580	45,585
Sunny Life Kamakura				12,719	2,769	720	-	179	8,650	400	38,830	38,746
Nichii Home Nishikokubunji				4,029	1,220	660	25	92	1,631	400	18,743	19,897
SOMPO CARE La vie Re Kobe-ikawadani				10,240	-	750	681	191	8,218	400	35,184	-
SOMPO CARE Sompno no ie Sayama				3,951	-	750	-	104	2,700	396	17,658	-
Royal Kawaguchi				8,413	-	1,647	1,097	182	5,087	399	33,874	-
NOAH GARDEN LEGEND				8,211	-	300	-	130	7,615	165	26,403	-
NOAH GARDEN L Grace				6,025	-	300	-	102	5,458	165	19,454	-
NOAH GARDEN Season Bell				10,107	-	487	-	141	9,206	271	29,325	-
Heartland Kawaguchi Meiseien				10,086	-	487	-	148	9,177	271	36,607	-
Granda Minamiurawa				4,577	-	325	-	89	4,026	135	18,462	-
Madoka Minamiurawa				3,175	-	325	60	71	2,582	135	14,546	-
SOMPO CARE Sompno no ie Awajiekimae				28,052	4,903	510	710	298	21,230	400	57,635	58,215
SOMPO CARE Sompno no ie Kobekamisawa				16,897	2,912	510	-	183	12,892	400	36,284	35,800
NOAH GARDEN CASA RICH				14,748	-	300	-	238	14,044	165	50,074	-
Niigata Rehabilitation Hospital				27,754	9,656	1,030	112	387	16,068	500	78,193	78,294
SHIP SENRI BUILDING				80,488	27,640	1,500	-	1,183	49,764	400	341,078	341,218
Total	2,371,156	2,360,228	10,928	784,089	143,989	34,956	25,845	10,093	551,793	17,410	2,138,860	1,858,718

(Note 1) "Real estate lease business revenue," "rent revenue" and "other revenue" of each property are not disclosed as consent for disclosure has not been obtained from tenants. The total is the sum of amounts received as rent for the fiscal period under review based on the lease agreements.

(Note 2) "NOI" = Real estate lease business revenue - Real estate lease business expenses + depreciation and amortization

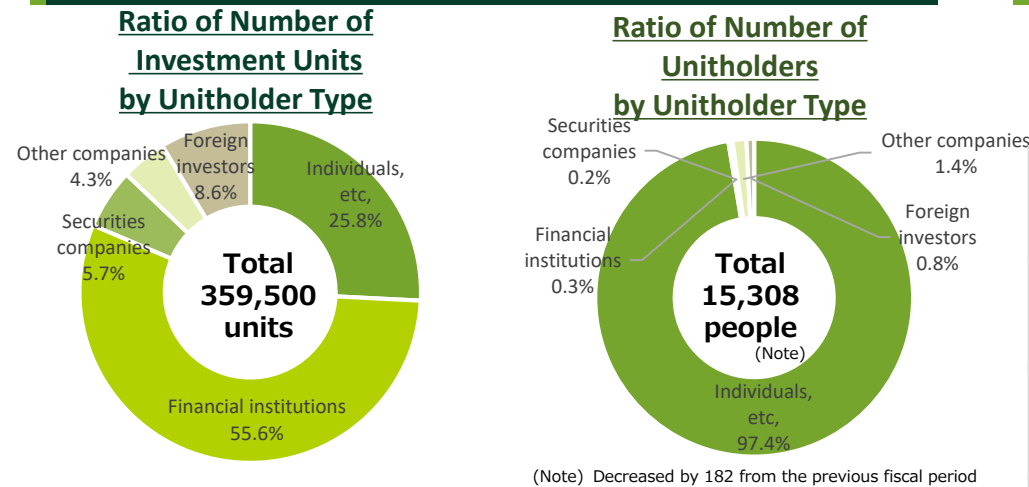
# V Appendix

## Balance Sheet and Income Statement

Balance Sheet (Unit: thousand yen)		14th Fiscal Period ended January 2022	15th Fiscal Period ended July 2022
<b>Assets</b>			
Current assets		2,001,918	1,797,490
Cash and deposits		1,689,721	1,311,232
Cash and deposits in trust		181,881	297,360
Operating accounts receivable		2,081	23,745
Consumption taxes receivable		–	41,022
Prepaid expenses		125,455	121,812
Derivative receivables		2,778	910
Other		–	1,406
Non-current assets		66,759,887	78,516,016
Property, plant and equipment		66,525,573	78,272,804
Intangible assets		198	3,097
Investments and other assets		234,115	240,114
Deferred assets		16,652	44,324
Investment unit issuance costs		–	28,713
Investment corporation bond issuance costs		16,652	15,611
<b>Total assets</b>		<b>68,778,458</b>	<b>80,357,832</b>
<b>Liabilities</b>			
Current liabilities		10,016,661	12,020,870
Operating accounts payable		62,190	82,367
Current portion of long-term loans payable		9,250,000	9,250,000
Short-term loans payable		–	2,000,000
Accounts payable – other		104,024	34,971
Accrued expenses		240,609	247,646
Income taxes payable		866	913
Consumption taxes payable		17,631	5,456
Advances received		338,838	398,493
Deposits received		795	126
Derivative liabilities		1,705	895
Non-current liabilities		25,894,748	29,536,057
Investment corporation bonds		2,000,000	2,000,000
Long-term loans payable		21,900,000	25,400,000
Tenant leasehold and security deposits		1,865,509	1,921,309
Tenant leasehold and security deposits in trust		86,766	167,616
Deferred tax liabilities		10,473	11,393
Derivatives liabilities		31,997	35,216
Other		–	521
<b>Total liabilities</b>		<b>35,911,409</b>	<b>41,556,928</b>
<b>Net assets</b>			
Unitholders' capital		32,877,933	38,812,194
Unitholders' capital, net		31,948,891	37,701,032
Surplus		929,041	1,111,161
Valuation and translation adjustments		△10,884	△11,290
Deferred gains or losses on hedges		△10,884	△11,290
<b>Total net assets</b>		<b>32,867,048</b>	<b>38,800,904</b>
<b>Total liabilities and net assets</b>		<b>68,778,458</b>	<b>80,357,832</b>

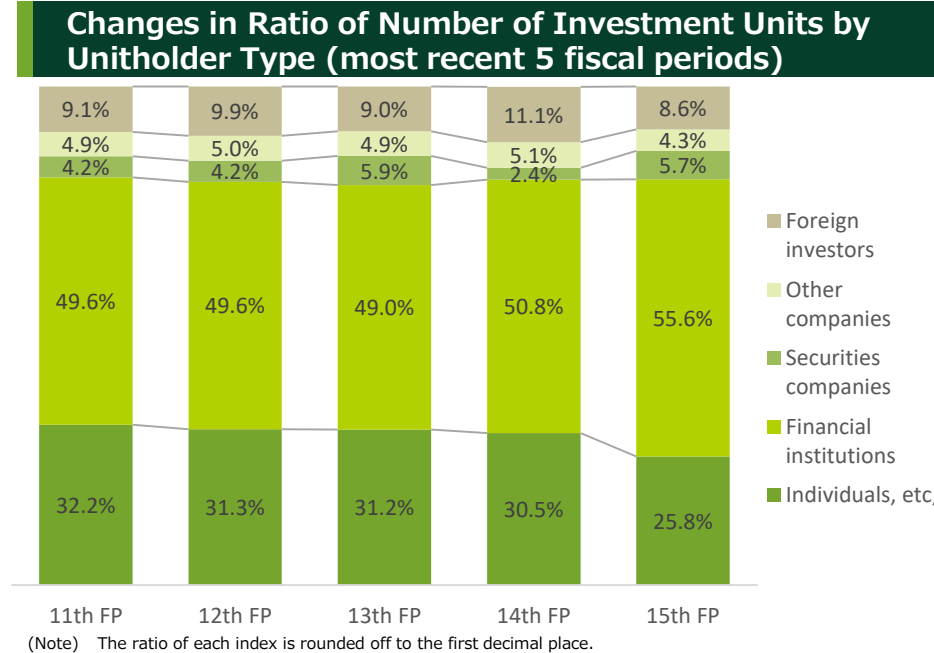
Statement of Income (Unit: thousand yen)		14th Fiscal Period ended January 2022	15th Fiscal Period ended July 2022
<b>Operating revenue</b>		<b>2,080,436</b>	<b>2,371,156</b>
Leasing business revenues		2,069,514	2,360,228
Other revenue related to leasing business		10,921	10,928
<b>Operating expenses</b>		<b>1,007,899</b>	<b>1,105,602</b>
Expenses related to leasing business		701,277	784,089
Asset management fee		200,330	203,435
Asset custody fee		3,430	3,864
Administrative service fees		21,551	23,404
Directors' compensation		4,800	4,800
Property tax		28,457	30,628
Other operating expenses		48,051	55,379
<b>Operating income</b>		<b>1,072,537</b>	<b>1,265,553</b>
<b>Non-operating income</b>		<b>469</b>	<b>2,048</b>
Interest income		6	7
Insurance income		–	1,566
Reversal of distribution payable		463	474
<b>Non-operating expenses</b>		<b>159,068</b>	<b>166,555</b>
Interest expenses		88,014	93,992
Interest expenses on investment corporation bonds		7,800	7,800
Amortization of investment unit issuance costs		6,424	5,742
Amortization of investment corporation bond issuance costs		1,040	1,040
Borrowing expenses		55,789	57,979
<b>Ordinary income</b>		<b>913,938</b>	<b>1,101,046</b>
<b>Income before income taxes</b>		<b>913,938</b>	<b>1,101,046</b>
<b>Income taxes - current</b>		<b>867</b>	<b>914</b>
<b>Income taxes - deferred</b>		<b>1</b>	<b>△2</b>
<b>Total income taxes</b>		<b>868</b>	<b>911</b>
<b>Net income</b>		<b>913,069</b>	<b>1,100,134</b>
<b>Retained earnings brought forward</b>		<b>15,971</b>	<b>11,027</b>
<b>Unappropriated retained earnings (undisposed loss)</b>		<b>929,041</b>	<b>1,111,161</b>

Status of Unitholders



List of Top Unitholders

Ranking	Name	Number of investment units owned (units)	Ownership ratio (%)
1	Custody Bank of Japan, Ltd. (Trust Account)	100,115	27.8
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	64,742	18.0
3	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	14,867	4.1
4	NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	8,587	2.4
5	Morgan Stanley MUFG Securities Co., Ltd.	7,137	2.0
6	JPMorgan Securities Japan Co., Ltd.	4,493	1.2
7	NEC Capital Solutions Limited	4,000	1.1
	SHIP HEALTHCARE HOLDINGS INC.	4,000	1.1
	Sumitomo Mitsui Banking Corporation	4,000	1.1
10	BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	3,314	0.9
Total		215,255	59.9



# HCM's Investment Philosophy and Three Features

## Investment Philosophy



Serve as a conduit between the nursing care and medical service industries and the capital markets

Develop a portfolio specialized in healthcare facilities, for which demand is expected to grow

Promote the supply of healthcare facilities as social infrastructure

**We seek to realize a society where all people can live vibrantly and with peace of mind**

## Three Features

### Investment in healthcare facilities for which demand is expected to **grow**

- Increase in demand due to further advancement of aging society
- Upgrades and expansion of healthcare facilities backed by government policy

### Strong support from **sponsors**







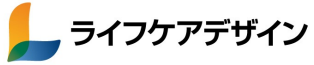


- Utilization of advanced expertise in “nursing care and medical service,” “fund management” and “finance” held by SHIP HEALTHCARE, NEC Capital and SMBC
- Securement of property acquisition opportunities by utilizing extensive networks

### Stable cash flow in the long term

- Conclusion of long-term fixed-rent lease agreements with credible operators
- Proper portfolio management based on strong relationship with operators

# Overview of Unitholder Special Benefit Plan

With the cooperation of operators, we offer unitholder special benefits.

Company Name		Details of Special Benefits
Sompo Care Inc.		<ul style="list-style-type: none"> <li>Discount initial fee or monthly fee</li> </ul>
JAPAN LIFEDESIGN Inc.		<ul style="list-style-type: none"> <li>Free trial move-in (two-days and one-night with meals)</li> <li>Discount initial fee</li> </ul>
GREEN LIFE Co., Ltd. GREEN LIFE HIGASHI NIHON Co., Ltd.		<ul style="list-style-type: none"> <li>Free trial move-in (two-days and one-night with meals)</li> <li>Tour with free lunch</li> </ul>
Sawayaka Club Co., Ltd.		<ul style="list-style-type: none"> <li>Discount monthly fee for initial month</li> <li>Free trial move-in (two-days and one-night with meals)</li> <li>Tour with free lunch</li> </ul>
AS PARTNERS Co., Ltd.		<ul style="list-style-type: none"> <li>Discount initial fee</li> <li>Discount monthly fee</li> <li>Free trial move-in (four-days and three-nights)</li> <li>Tour with free lunch</li> </ul>
Proud Life Inc.		<ul style="list-style-type: none"> <li>Discount initial fee or deposit</li> </ul>
Lifecare Design Inc.		<ul style="list-style-type: none"> <li>Discount initial fee</li> </ul>
Nichii Carepalace Company		<ul style="list-style-type: none"> <li>Discount initial fee</li> </ul>
NOAH KONZER Co.,Ltd		<ul style="list-style-type: none"> <li>Tour with free lunch</li> <li>Discount deposit</li> </ul>

(Note) The special benefits are for unitholders as of the end of July 2022 and are subject to change in the future.



# Profile of Asset Management Company

## Profile of the Company

<b>Trade name</b>	Healthcare Asset Management Co., Ltd.	
<b>Location</b>	3-3 Kanda-Ogawamachi, Chiyoda-ku, Tokyo	
<b>Founded</b>	November 28, 2013	
<b>Capital stock</b>	150 million yen	
<b>CEO</b>	Seiji Yoshioka	
<b>Shareholders</b>	SHIP HEALTHCARE HOLDINGS, INC.	33.3%
	NEC Capital Solutions Limited	33.3%
	Sumitomo Mitsui Banking Corporation	5.0%
	Sumitomo Mitsui Finance and Leasing Company, Limited	4.8%
	SMBC Nikko Securities Inc.	4.8%
	Yoei Co.,Ltd.	4.7%
	Ginsen Co.,Ltd.	4.7%
	Kobe Tochi Tatemono Co.,Ltd.	4.7%
	Muromachi Building Co.,Ltd.	4.7%
<b>Registration, license, etc.</b>	Registered as a financial service provider Director of Kanto Local Finance Bureau (Kinsho) No. 2815	
	License as a building lots and buildings business operator Governor of Tokyo (2) No. 96339	
	License as an entrusted agency services for transactions Minister of Land, Infrastructure, Transport and Tourism No. 85	

## Organizational Structure



# Profile of Major Sponsors



With a stated mission to “create an environment of people protecting life,” SHIP HEALTHCARE HOLDINGS, INC. focuses on the five business domains of medical, health, welfare, nursing care and services. Centering around the partnership with medical institutions, the entire group companies carry out a variety of nursing care and medical service-related businesses, ranging from consultation on reconstruction, development, etc. of hospitals and such to operation of nursing homes and dispensing pharmacy business.



## NECキャピタルソリューション

As the NEC Group's comprehensive financial services company, NEC Capital Solutions Limited delivers finance services such as leasing and installment payments to a broad customer base. In addition, it offers investments, loans, and advisory services through funds, etc. in the business domains of “companies,” “credits,” and “assets,” mainly through its subsidiary, RISA Partners, Inc.



Positioned as the core company of the SMFG, SMBC possesses one of the strongest sales foundations in Japan as well as the ability to execute strategies quickly, and is capable of providing financial services through its influential group companies. Furthermore, it boasts one of the strongest track record in Japan for financing listed real estate investment corporations.

### SHIP HEALTHCARE HOLDINGS INC.

Headquarters location	3-20-8 Kasuga, Suita-shi, Osaka
Representative	Chairman: Kunihisa Furukawa President: Futoshi Ohashi
Founded	August 1992
Capital stock	15,553 million yen
Sales	514,353 million yen on a consolidated basis (fiscal period ended March 2022)

### NEC Capital Solutions Limited

Headquarters location	2-15-3 Konan, Minato-ku, Tokyo
Representative	President: Masaaki Suganuma
Founded	November 1978
Capital stock	3,776 million yen
Sales	230,196 million yen (fiscal period ended March 2022)

### Sumitomo Mitsui Banking Corporation

Headquarters location	1-1-2 Marunouchi, Chiyoda-ku, Tokyo
Representative	President and CEO: Makoto Takashima
Capital stock	1,770,996 million yen

## Disclaimer

This presentation material contains forward-looking statements including forecasts, outlooks, goals and plans. These statements are based on the information available as of the date when this material is prepared (September 14, 2022) and incorporate certain subjective assumptions about uncertain factors that may affect future results. Accordingly, these statements are inherently not guarantees of future performance and actual results may differ materially.

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