



Financial Results Briefing Materials

**Fiscal Period Ended July 2019
(9th Fiscal Period)**

September 18, 2019



Hospital



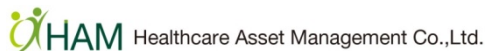
Paid
nursing home



Serviced
housing for
the elderly



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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Financial Summary



1

Actual Results

- Operating revenue : 2,008 million yen (+707 million yen from previous fiscal period, +2 million yen from forecast (Note 1))
- Distribution per unit ^(Note 2) : 3,643 yen (+523 yen from previous fiscal period, +88 yen from forecast)
- NAV per unit : 118,986 yen (+948 yen from previous fiscal period)

2

Status of Management

- Acquired 8 properties including “SHIP SENRI BUILDING,” a flagship property, through public offering
- Asset size expanded to 35 properties/64.8 billion yen and unrealized gain to 4.7 billion yen ^(Note 3)

3

Financial Status

- Total amount of loans: 32.45 billion yen (+10 billion yen from end of previous fiscal period), LTV: 47.5% (-3.2% from end of previous fiscal period)
- First debt financing through social loans by a J-REIT

4

Actions for ESG

- Supported the improvement of efficiency of nursing care business of operators with the introduction of ICT system by HCM

(Note 1): Figure disclosed in the Financial Report for Fiscal Period Ended January 2019 dated March 15, 2019.

(Note 2): Distribution per unit for the 8th FP (3,120 yen) = Distribution of earnings (2,661 yen) + Distribution of reserve for temporary difference adjustments (133 yen) + Other distribution in excess of earnings (return of capital) (326 yen)
 Distribution per unit for the 9th FP (3,643 yen) = Distribution of earnings (3,325 yen) + Distribution of reserve for temporary difference adjustments (38 yen) + Other distribution in excess of earnings (return of capital) (280 yen)

(Note 3): Asset size is calculated based on acquisition price; and unrealized gain is calculated as: Appraisal value at the end of 9th FP - book value at the end of 9th FP.

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

Asset (Assets)

| | |
|---|---|
| Number of properties | 35 Properties (+8 properties) |
| Total acquisition price | 64.8 billion yen (+22.7 billion yen) |
| Total appraisal value | 70.4 billion yen (+24.6 billion yen) |
| Unrealized gain | 4.7 billion yen (+1.6 billion yen) |
| Average appraisal NOI yield | 5.6% |
| Operational rate | 99.9% |
| Ratio of fixed rents | 100% |
| Ratio of investment in three major metropolitan areas | 86.1% (+0.6%) |
| Average Remaining Lease Term | 14.6 years (+0.4 years) |

Debt (Liabilities)

| | |
|--|--|
| Total amount of loans | 32.45 billion yen (+10.0 billion yen) |
| Average remaining terms to maturity | 2.6 years (+0.4 years) |
| Average borrowing interest rate | 0.55% (-0.03%) |
| Ratio of long-term loans | 76.3% (+18.4%) |
| Ratio of loans with fixed interest rates | 96.9% (+9.1%) |
| LTV | 47.5% (-3.2%) |
| Long-Term Issuer Rating (JCR) | A (Stable) |

Equity (Net assets)

| | |
|---|---|
| Total sum of fair value | 41.4 billion yen (+18.8 billion yen) |
| Distribution per unit | 3,643 yen (+523 yen) |
| Distribution in excess of earnings ^(Note 1) (Equivalent to return of capital) | 280 yen |
| NAV per unit | 118,986 yen (+948 yen) |

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

3. Actual Results for 9th Fiscal Period (Ended July 2019)

Revenue and profit increased significantly due to property acquisition, realizing an increase in distribution per unit by 523 yen

(Unit: million yen)

| | 8th Fiscal Period (Ended January 2019) | 9th Fiscal Period (Ended July 2019) | | | | |
|---|---|--|----------------|-----------------------------|--------------------------------------|---|
| | Actual | Forecast (Note 2) | Actual | Comparison with Forecast | Comparison with 8th Fiscal Period | |
| | (A) | (B) | (C) | (C) - (B) | (C) - (A) | $\frac{(C) - (A)}{(A)}$ (%) (Note 3) |
| Operating revenue | 1,301 | 2,006 | 2,008 | +2 | +707 | +54.4 |
| Operating expenses | 654 | 828 | 818 | -9 | +164 | +25.2 |
| Expenses related to rent business | 448 | 595 | 586 | -8 | +137 | +30.7 |
| (Depreciation) | 315 | 440 | 436 | -3 | +121 | +38.4 |
| Operating income | 647 | 1,178 | 1,189 | +11 | +542 | +83.9 |
| Ordinary income | 540 | 1,018 | 1,047 | +28 | +506 | +93.7 |
| Net income | 539 | 1,017 | 1,046 | +28 | +506 | +93.8 |
| Distribution per unit (yen) | 3,120 | 3,555 | 3,643 | +88 | +523 | +16.8 |
| Distribution of earnings | 2,661 | 3,270 | 3,325 | +93 | +569 | +20.4 |
| Distribution of reserve for temporary difference adjustments | 133 | | 38 | | | |
| Distribution in excess of earnings (return of capital) (Note 1) | 326 | | 280 | | | |
| NAV per unit (yen) | 118,038 | - | 118,986 | - | +948 | +0.8 |

9th Fiscal Period Actual Results (Comparison with Forecast)

Difference in operating expenses (-9)

- Decrease in expenses related to rent business (-8)
 - Repair expenses (-6)
 - Depreciation (-3)

Difference in non-operating revenue (+16)

- Insurance income (+15)

9th Fiscal Period Actual Results (Comparison with 8th Fiscal Period)

Difference in operating revenue (+707)

- Increase in rent revenue (+707)

Difference in operating expenses (+164)

- Increase in expenses related to rent business (+137)
 - Depreciation (+121)
 - Management service expenses (+9)
- Increase in asset management fee (+21)
- Increase in administrative service fees (+4)

Difference in non-operating revenue (+16)

- Insurance income (+15)

Difference in non-operating expenses (+52)

- Increase in expenses due to new borrowings
 - Interest expenses (+25)
 - Loan fees (+20)
- Increase in investment unit issuance expenses due to public offering (+6)

(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 9th Fiscal Period (B) is the forecast figure announced in " (REIT) Financial Report for Fiscal Period Ended January 2019" dated March 15, 2019.

(Note 3): Figures are rounded to the first decimal place.

In the 10th FP, profit is expected to decrease with the increase in asset management fee due to the expansion of asset size and the impact of the consumption tax increase, etc.

(Unit: million yen)

| | 9th Fiscal Period (Ended July 2019) | 10th Fiscal Period (Ending January 2020) | | | 11th Fiscal Period (Ending July 2020) | | |
|--|--|---|--------------------------------------|---------------------------------------|--|--|---------------------------------------|
| | Actual | Forecast | Comparison with 9th Fiscal Period | | Forecast | Comparison with 10th Fiscal Period Forecast | |
| | (A) | (B) | (B)- (A) | $\frac{(B)-(A)}{(A)}$ (%) (Note 2) | (C) | (C)- (B) | $\frac{(C)-(B)}{(B)}$ (%) (Note 2) |
| Operating revenue | 2,008 | 2,012 | +3 | +0.2 | 2,012 | 0 | 0 |
| Operating expenses | 818 | 910 | +92 | +11.2 | 966 | +55 | +6.1 |
| Expenses related to rent business | 586 | 602 | +16 | +2.7 | 659 | +56 | +9.4 |
| (Depreciation) | 436 | 442 | +6 | +1.4 | 445 | +3 | +0.7 |
| Operating income | 1,189 | 1,101 | -88 | -7.4 | 1,046 | -55 | -5.0 |
| Ordinary income | 1,047 | 940 | -106 | -10.2 | 891 | -48 | -5.2 |
| Net income | 1,046 | 939 | -106 | -10.2 | 890 | -48 | -5.2 |
| Distribution per unit (yen) | 3,643 | 3,304 | -339 | -9.3 | 3,150 | -154 | -4.7 |
| Distribution per unit (yen) (Excluding distribution in excess of earnings (return of capital) (Note 1)) | 3,363 | 3,020 | -343 | -10.2 | 2,864 | -156 | -5.2 |
| Distribution in excess of earnings (return of capital) (Note 1) | 280 | 284 | +4 | +1.4 | 286 | +2 | +0.7 |

10th Fiscal Period Forecast (Comparison with 9th Fiscal Period)

Difference in operating revenue (+3)

- Rent increase due to system investment (EGAO link) (+3)

Difference in operating expenses (+92)

- Increase in expenses related to rent business (+16)
 - Repair expenses (+7)
 - Depreciation (+6)
- Increase in asset management fee (+56)
- Increase in tax payment(+7)
 - Consumption tax (+4)
- Research expenses (+4)
- Increase in administrative service fees (+3)

Difference in non-operating revenue (-16)

- Absence of insurance income (-15)

Forecast for the 11th Fiscal Period (Comparison with 10th Fiscal Period forecast)

Difference in operating expenses (+55)

- Increase in expenses related to rent business (+56)
 - Expensing of property / city planning tax for properties acquired in 9th FP (+48)
 - Repair expenses (+3)
 - Depreciation (+3)

Difference in non-operating expenses (-6)

- Decrease in investment unit issuance expenses (public offering conducted in 5th FP) (-4)

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

(Note 2): Figures are rounded to the first decimal place.

HCM expanded its quality portfolio including hospital real estate through the second public offering since IPO

Overview of the offering

| | |
|---|---------------------------|
| Launch date | January 11, 2019 |
| Price determination date | January 22, 2019 |
| Payment date | February 1, 2019 |
| Number of new investment units issued (Note 1) | 117,894 units |
| Total number of investment units outstanding (after public offering) | 311,001 units |
| Issue price / issue value | 111,442 yen / 107,555 yen |
| Amount paid in (Note 1) | 12.68 billion yen |

Investment highlights

- Acquisition of a flagship property: Complex comprising a hospital and a paid nursing home
- Actions on development projects of healthcare facilities and expansion of asset acquisition
- Sustainable external growth utilizing a variety of sponsor support
- Promotion of stable financial operation and distribution policy to enhance unitholder value



(Note 1) Including those for third-party allotment on February 27, 2019 (payment date).

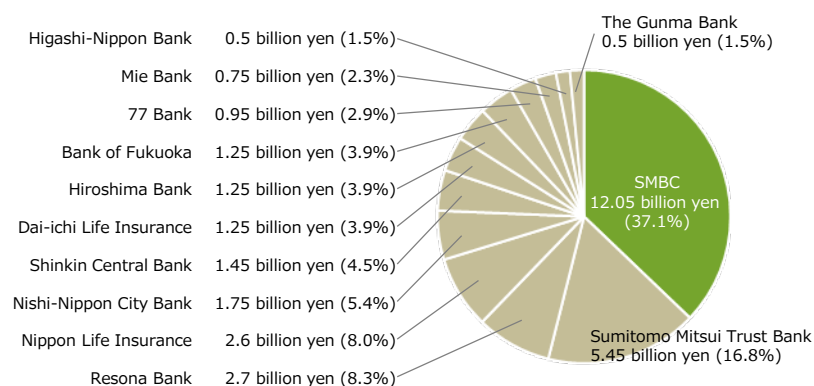
Established a bank formation centering on Sumitomo Mitsui Banking Corporation, and maintained the LTV level at around 50%

Status of Interest-Bearing Liabilities

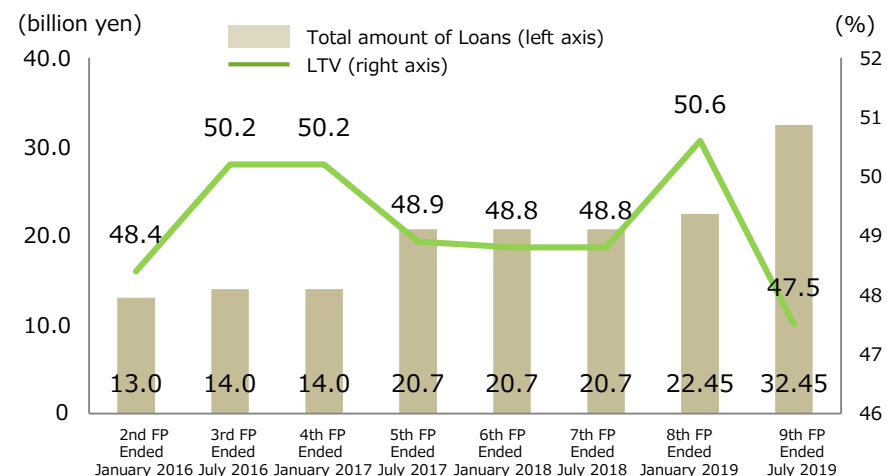
| | | End of 8th FP | End of 9th FP | Change |
|--|---------------|------------------|------------------|--------|
| Total amount of loans | (billion yen) | 22.45 | 32.45 | +10.00 |
| (Social loans ^(Note 1)) | (billion yen) | – | 5.55 | +5.55 |
| LTV | (%) | 50.6 | 47.5 | -3.2 |
| Ratio of loans with fixed interest rates | (%) | 87.8 | 96.9 | +9.2 |
| Ratio of long-term loans | (%) | 57.9 | 76.3 | +18.4 |
| Average remaining terms to maturity | (year) | 2.2 | 2.6 | +0.4 |
| Average borrowing interest rate | (%) | 0.58 | 0.55 | -0.03 |

(Note 1): Social loans: Loans where the use of proceeds is limited to projects that consider social aspects.

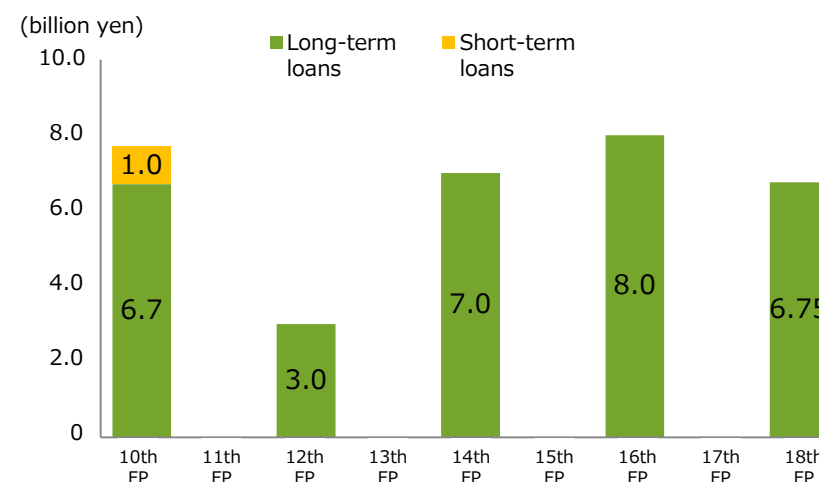
Diversification of Lenders



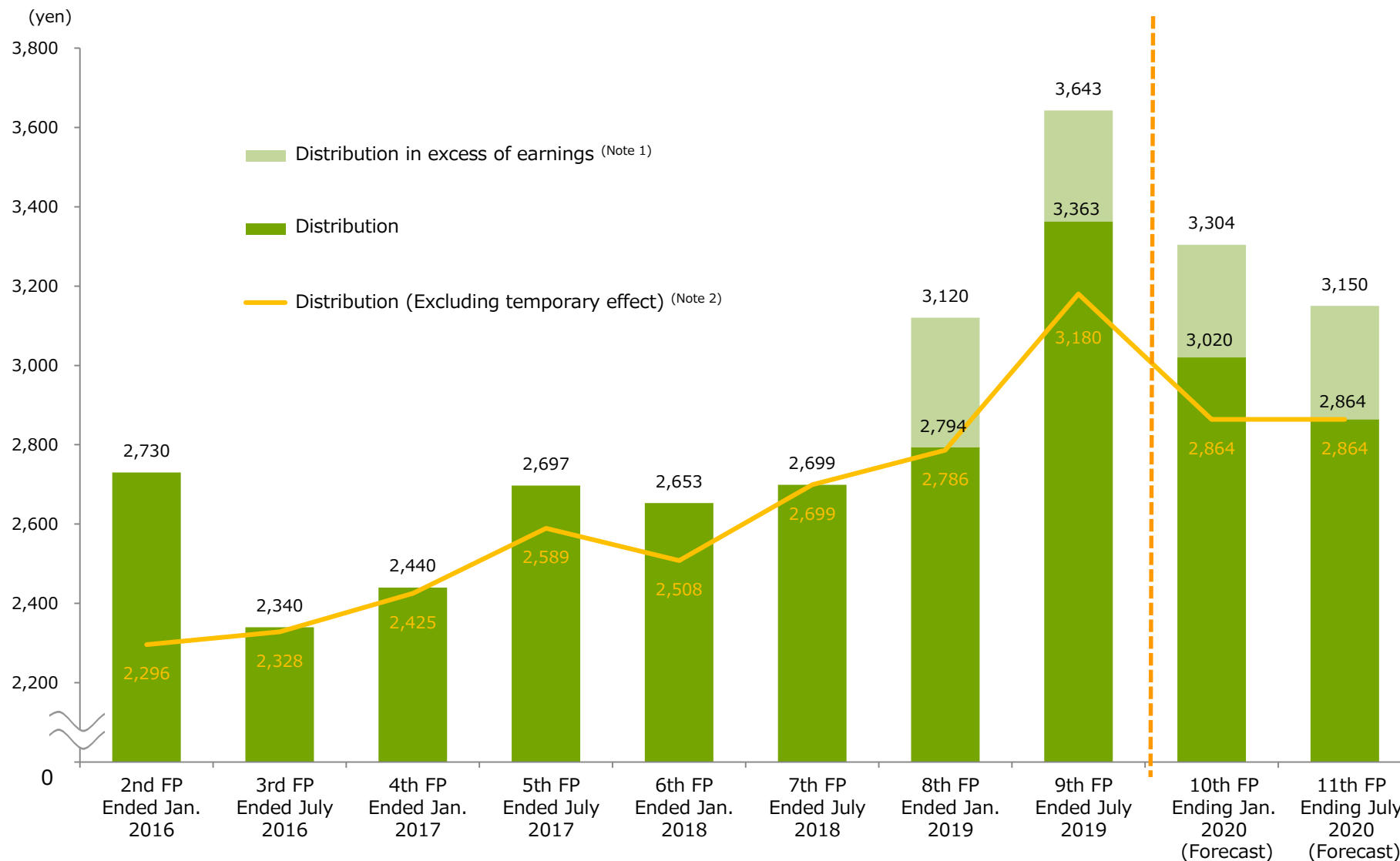
Change in LTV and Total Amount of Loans



Diversification of Maturities



7. Changes in Distribution Per Unit



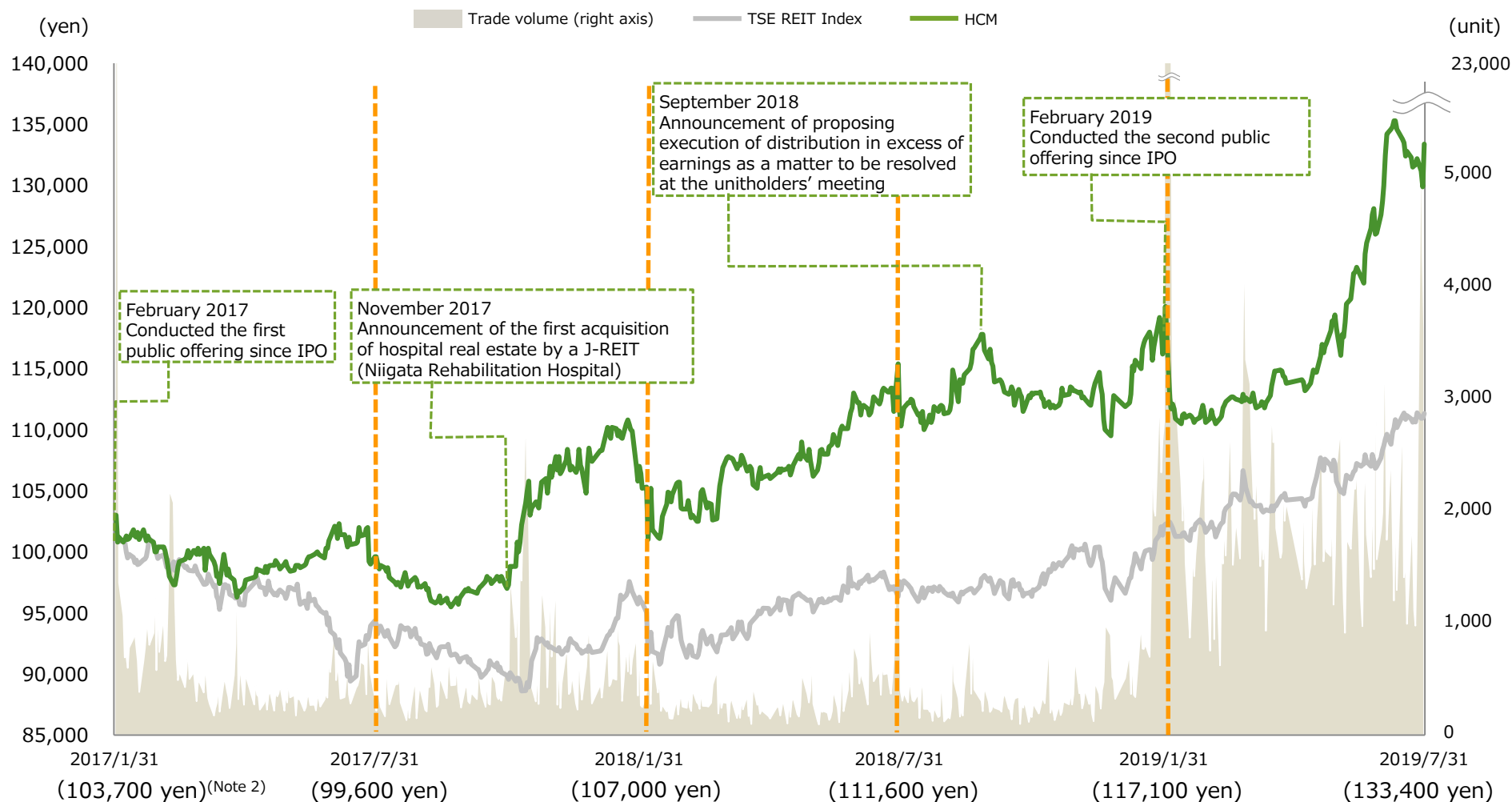
(Note 1): Distribution in excess of earnings refers to distribution carried out targeting around 20% of depreciation equivalent (return of capital).

(Note 2): Temporary effect refers to temporary revenues (insurance income, etc.), property tax and urban planning tax which have not been expensed due to property acquisition.

8. Changes in Unit Price

The unit price of HCM outperformed the TSE REIT Index in general by the acquisition of hospital real estate and external growth through public offering.

Trade volume has also been on the rise since the public offering in February 2019.



(Note 1): TSE REIT index is indexed with the closing price on January 31, 2017, as 100.

(Note 2): The closing price of the investment units of HCM at each point of time is indicated

Status of Asset Management



Portfolio Highlights

Number of Properties

35 properties
(+8 properties)

Total Acquisition Price

64.8 billion yen
(+22.7 billion yen)

Total Appraisal Value (Note 1)

70.4 billion yen
(+24.6 billion yen)

Average Appraisal NOI Yield

5.6 %
(-0.1%)

Average Building Age (Note 1)

15.0 years
(-0.1 years)

Average Remaining Lease Term (Note 1)

14.6 years
(+0.4 years)

Ratio of Fixed Rents

100 %

Operational Rate

99.9 %
(-0.1%)

(Note 1): Figures in parentheses are comparison with the end of 8th FP.

Portfolio Diversification (Note 2)

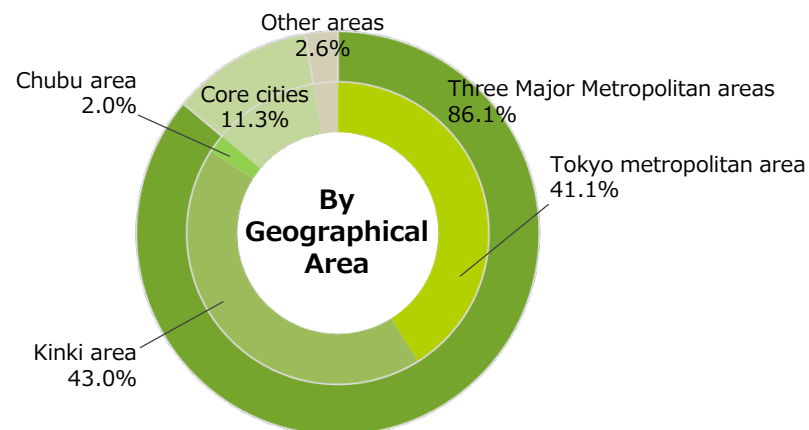
Complex of paid nursing home, medical service-related facilities, etc.
19.9%

Medical service-related facilities
3.2%

Serviced housing for the elderly
4.8%

By Type

Paid nursing home
72.1%



(Note 1): "Average Building Age" and "Average Remaining Lease Term" are calculated by weighted averaging with acquisition prices after dividing remaining lease days by 365, with July 31, 2019, as the reference date, rounded down to the first decimal place. When there is more than one building, they are calculated by weighted averaging with areas. "Appraisal Value" is indicated based on the appraisal report with July 31, 2019, as the appraisal date.

(Note 2): The figures in the graphs are calculated based on acquisition price, rounded to the first decimal place.

2. Stable Cash Flow in the Long Term

HCM concludes long-term and fixed-rent lease agreements with carefully selected operators in principle, and strives to secure stable cash flow through continuous monitoring.

Careful selection and monitoring of operator

Good judgement regarding the operational capability and management stability of operators, who are lessees, is very important to secure stable rent income

**Business due diligence
(including those after acquisition)**

Management
Compliance
system

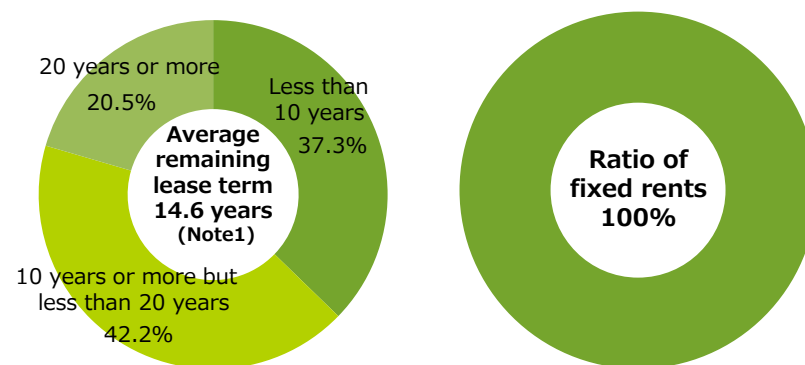
Business
profile/
activities

Financial
status

Operation
status

- Currently owns healthcare facilities operated by 12 operators including major companies operating nationwide
- Monitors regularly measures for prevention of elder abuse, etc. and safety management system taken by operators in addition to the operational status and financial status

Long-Term Fixed-Rent Lease Agreements



Proactive capital expenditure (example of capital investment in 9th FP)

| Property | Details | Investment Amount |
|-------------------------|---|-------------------|
| Granda Tsuruma-Yamato | Exterior wall painting and renovation of rooftop waterproof | 33.3 million yen |
| GOOD TIME HOME Fudo-mae | Renewal of 10 air conditioning systems in common areas | 17.9 million yen |
| ASHEIM Bunkyoakusan | Introduction of EGAO link | 20.9 million yen |

Actions for Enhancement of Unitholder Value

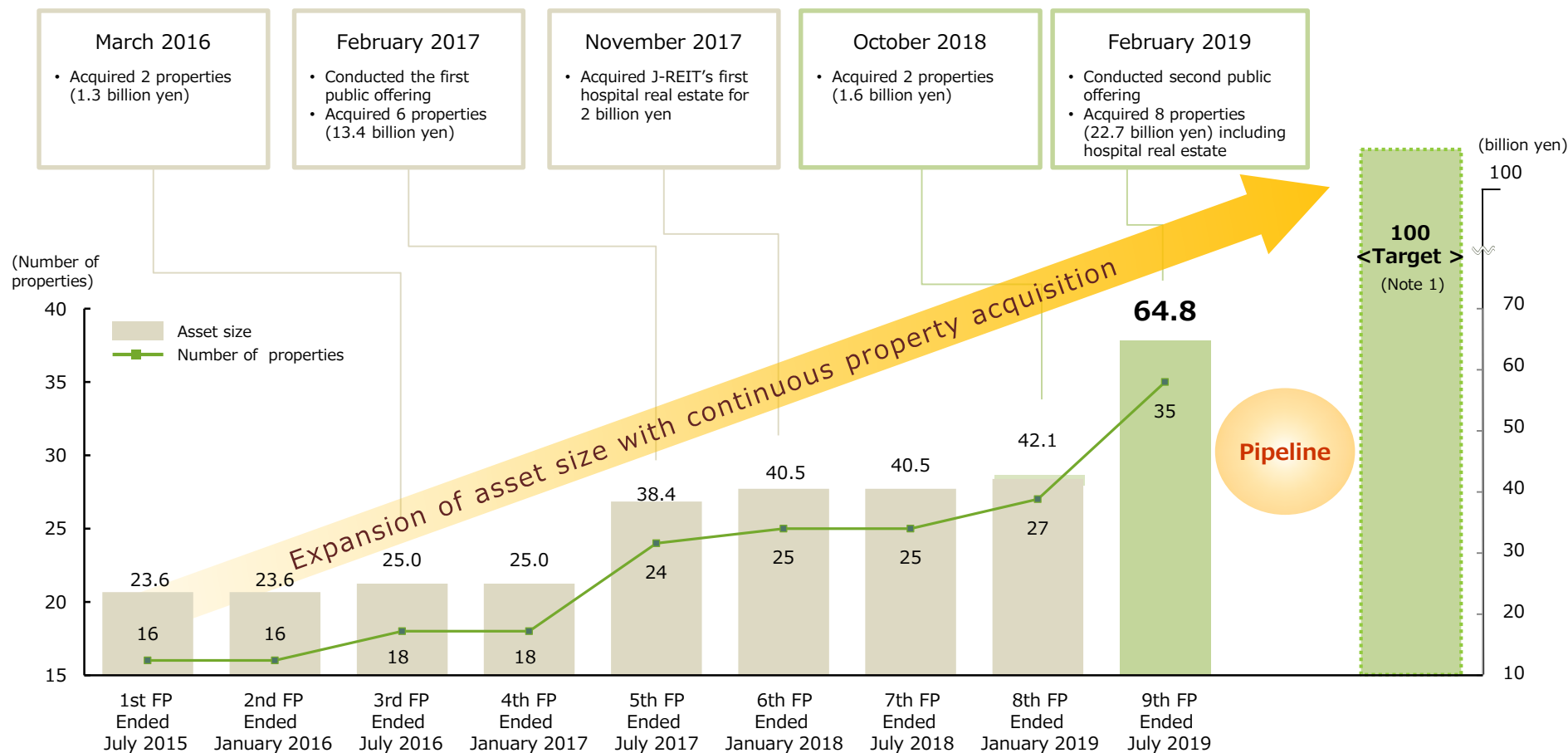


1. Road Map to External Growth

HCM aims for an asset size of 100 billion yen over the medium term. (Note 1)

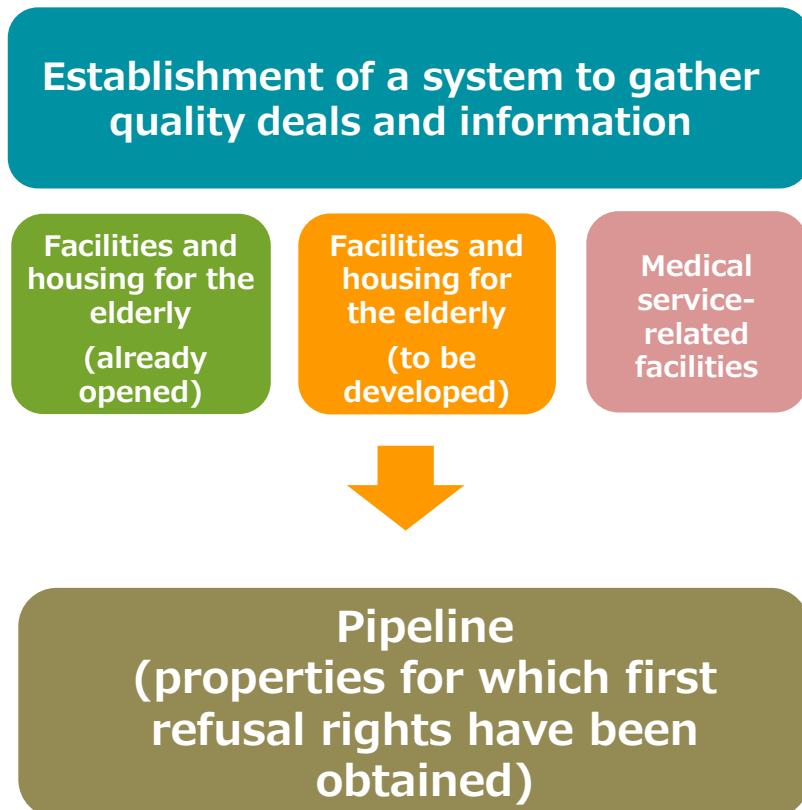
With continuous property acquisition since IPO, the asset size expanded about 2.7 times to 64.8 billion yen.

Change in Asset Size and Number of Properties



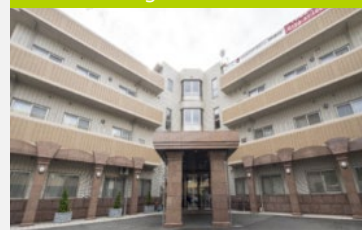
2. Expansion of Pipeline (1)

HCM will focus on further expansion of pipeline by strengthening its “system to gather quality deals and information” utilizing its wide-ranging network and various functions.



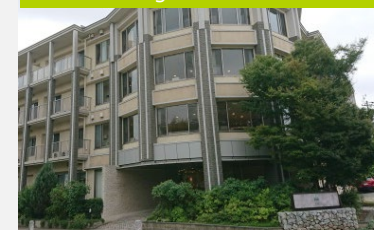
Pipeline totaling around 10.0 billion yen (Part)

Paid nursing home



SOMPO CARE
La vie Re Kobe-Ikawadani
(Kobe-shi, Hyogo)

Paid nursing home



AMICA VILLA INAGE
(Chiba-shi, Chiba)

Paid nursing home



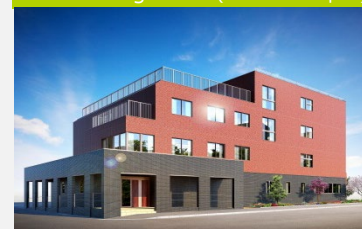
Sawayaka Seaside Kuki-no-umi
(Kitakyushu-shi, Fukuoka)

Paid nursing home



SAWAYAKA Higashiosakakan
(Higashiosaka-shi, Osaka)

Paid nursing home (to be developed)



Medical Rehabilitation Home Granda
Yamahana
(Sapporo-shi, Hokkaido)

Paid nursing home (to be developed)

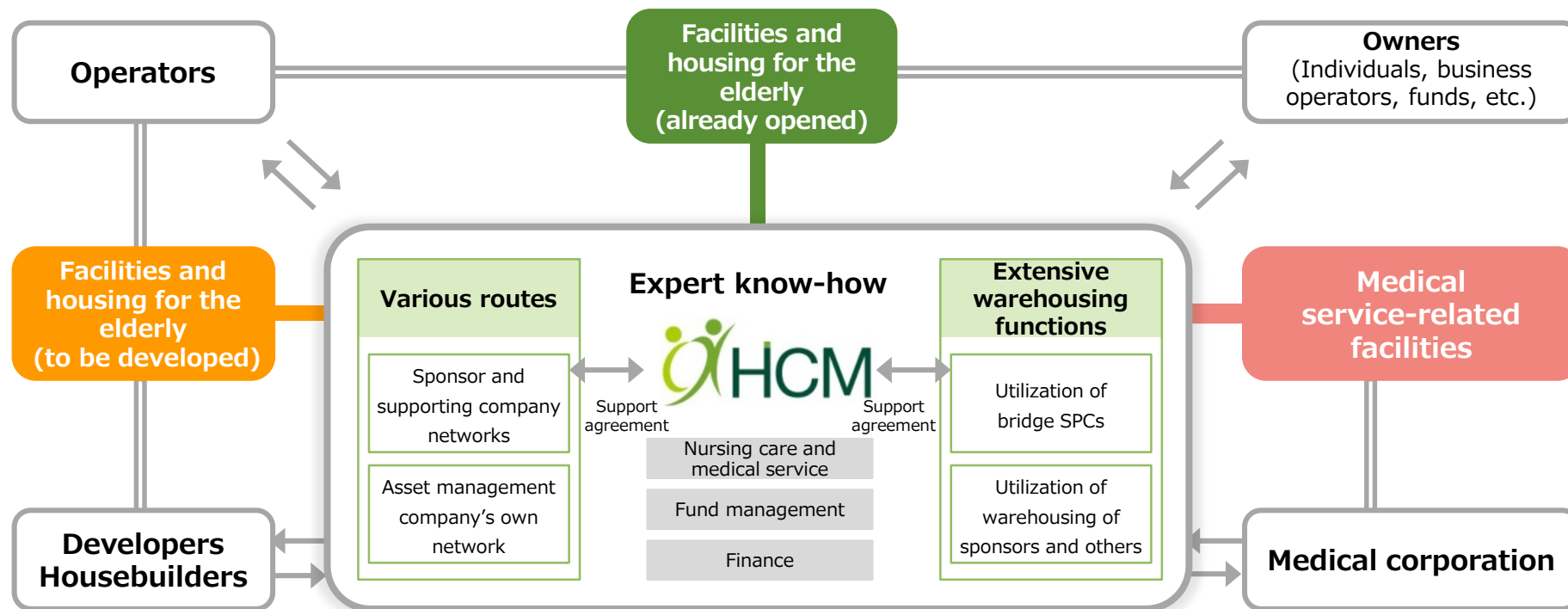


Medical Rehabilitation Home Granda
Toyota-Motomachi
(Toyota-shi, Aichi)

2. Expansion of Pipeline (2)

HCM aims to expand and strengthen information flow and property acquisition methods through its network with sponsors as well as operators, developers and owners.

System to Gather Quality Deals and Information



Extensive networks



Expert know-how



Warehousing function

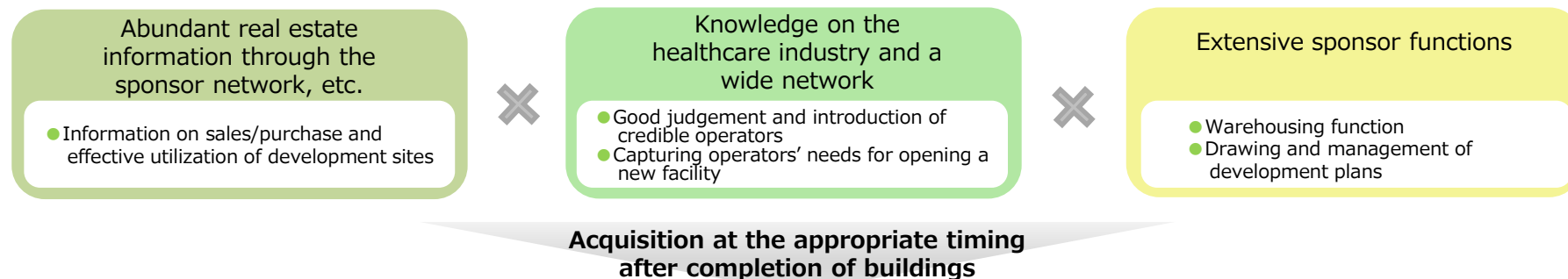


Capture quality deals on a negotiation basis at the appropriate timing

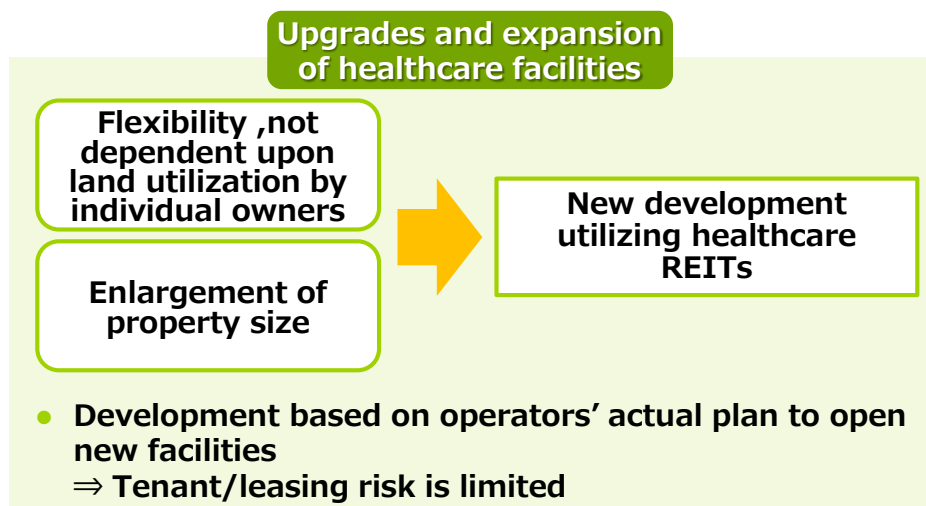
3. Actions for Development projects

HCM will promote actions for development projects by utilizing its network in the industry and various functions.

Strengths of HCM



Characteristics of development projects



Case example

example 1 (Sapporo-shi, Hokkaido)

- New relocation project of existing paid nursing home
- Matched the sales information of land obtained independently by the support company of HCM and the relocation needs of operators
- Support company led the entire development process including everything from the acquisition of land to warehousing after completion. Established in November 2018.

example 2 (Itabashi-ku, Tokyo)

- New development project of paid nursing home
- Major housebuilder acquired the development site and the building is currently under construction based on the assumption that the sponsor of HCM will purchase the building after completion
- A lease agreement(tentative) has been concluded with the operator at of the start of construction

4. Actions for Hospital Real Estate

HCM aims for stable acquisition and management of quality hospital real estate as the only J-REIT owning hospital real estate

Management Policy of HCM, etc.

1

Major investment target

- A hospital which can play an important role in the Regional Healthcare Vision
- May acquire a medical mall, health check-up center, etc. other than hospitals

2

Investment management system complying with the “Hospital Real Estate Guidelines” (Note 1)

- Allocation of experts familiar with hospital business in the Asset Management Company
- In principle, no investment that involves hospital operation
- Conclusion of a fixed-rent/long-term 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 set for hospital real estate alone

4

Promotion activities for market expansion

- Participation in seminars for medical/nursing care facilities-related operators
- Lectures at industry group meetings (Congress of Japan Hospital Association, etc.)

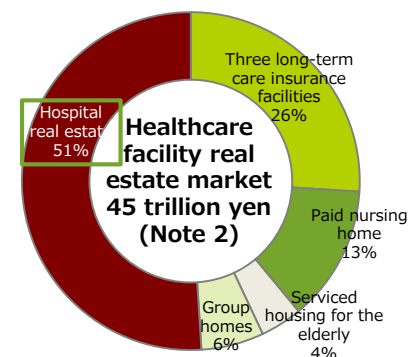
Strengths of HCM

- SHIP HEALTHCARE’s abundant insight and various support experience in “medical business” and SMBC/NEC Capital’s financing and financing know-how for “medical business”
- A broad network with the three main sponsor companies and the parties related to the “system to gather quality deals and information”
- Solid management performance, as the only J-REIT owning hospital real estate

Stable management based on expertise
in hospital business and a trust relationship
with hospital personnel

Size of hospital real estate market

- Hospital real estate accounts for over 50% of the entire healthcare facility real estate market (approximately 23 trillion yen)
- Mostly self-owned by medical corporations, etc. and ratio of quake-resistant hospitals remain at 74.5% (Note 3)
⇒ Ratio of quake-resistant paid nursing homes is 95% or more



Large potential investment opportunity

(Note 1): “Hospital Real Estate Guidelines” refers to “Guidelines Concerning REITs Targeting Hospital Real Estate” published on June 26, 2015 by the Ministry of Land, Infrastructure, Transport and Tourism.

(Note 2): Prepared by the Asset Management Company based on preliminary calculation by KPMG Healthcare Japan Co., Ltd.

(Note 3): Ministry of Health, Labour and Welfare’s 2018 “Survey on Seismic Retrofit of Hospitals”

5. Actions for ESG (1)

HCM and the Asset Management Company will aim to realize the investment philosophy and enhance unitholder value over the medium to long term by practicing asset management that is considerate of Environment, Social and Governance (ESG).

Basic ESG Policy

- Promotion in collaboration with various in-house/outside stakeholders including operators, hospital personnel, sponsors, executives and employees

Reduction of environmental burden (E)

**Resolution of social issues
in an aging society (S)**

Establishment of governance system (G)

**Information disclosure to investors and
other stakeholders**

Reduction of environmental burden (E)

- Renovation work for improving the efficiency of outdoor air conditioner unit (Kobe Gakuentoshi Building)
 - Reduced renovation costs by approximately one-third by using the government's subsidy program
 - Energy consumption is expected to be reduced by approximately 8%

Efforts to solve social issues (S)

- Newly established employment support facility for the disabled (GreenLife Moriguchi)
 - Effective utilization of the former site of day-care center for employees
- Supported the improvement of efficiency of nursing care business of operators with the introduction of ICT system
 - Introduction of "EGAO link" (ASHEIM Bunkyoakusan, ASHEIM Hikarigaoka)

Establishment of governance system (G)

- Established "Customer-Oriented Committee" within the company
 - Sharing the voices of unitholders and operators on a company-wide basis in order to reflect them on the operation of HCM as well as considering looking back on daily work from the perspective of customers and making new efforts.

Information disclosure to investors and other stakeholders

- First debt financing through social loans by J-REIT
 - Periodic information transmission through impact reports (scheduled to be issued in December 2019)

5. Actions for ESG (2)

Supported the improvement of operational efficiency at nursing care site by conducting system investment utilizing ICT.
The operator realized the leveling of introduction cost as a result of the bearing of initial cost by HCM.

Issues surrounding the nursing care industry and actions by HCM

<Issues surrounding the nursing care industry>

Securement of nursing personnel

Improvement of productivity of nursing care services

Improvement of work environment

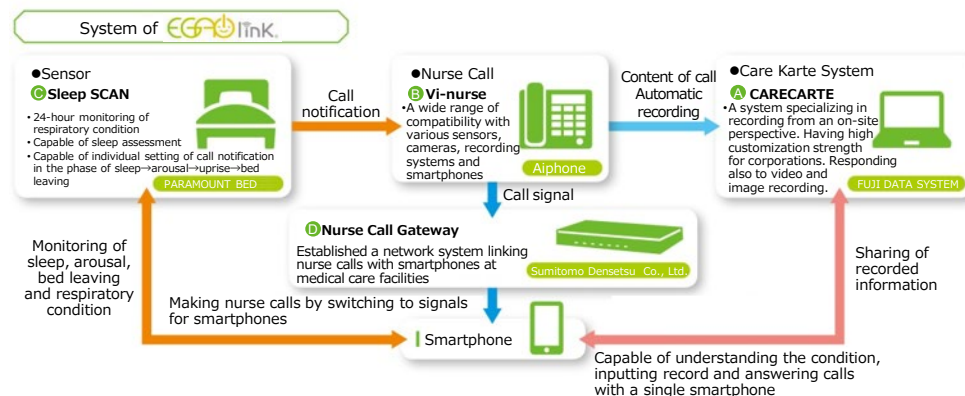
Conducted capital investment to solve such issues

<Actions by HCM>

- Introduced a system utilizing ICT (EGAO link)
- Leveled the introduction cost with the bearing of initial cost by HCM and payment of increased rent (equivalent to depreciation) by the operator
ASHEIM Bunkyo Hakusan (completed introduction in July 2019, 20.9 million yen)
ASHEIM Hikarigaoka (completed introduction in August 2019, 23.7 million yen)

System of EGAO link

- A system to link sleep sensor, nurse call and electronic medical chart using nurse call gateway and integrate them into a single smartphone



(Source) Prepared by the Asset Management Company based on the material of AS PARTNERS Co., Ltd.

Effect of introduction of EGAO link

- Contributed to qualitative improvement of nursing care services through improvement of operational efficiency of nursing care business and reduction of working hours due to ICT investment.

Reducing night-time regular inspection by using watching sensors

Significantly reducing the time for preparing nursing care records through smartphone input

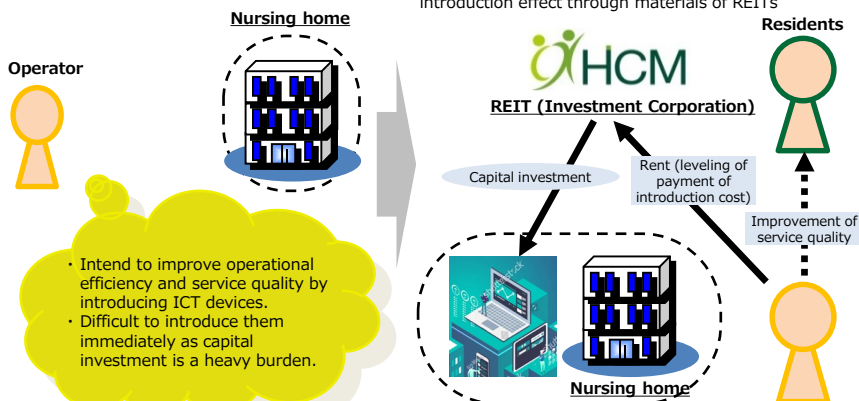
Reducing the number of nurse calls through monitoring using smartphones

<Issues surrounding healthcare facilities>

- Duplicated work, long working hours
- Difficulty in securing personnel
- ⇒ Deterioration of service quality

<Contribution by REITs in the utilization of technology>

- Improvement of operational efficiency
- Reduction of working hours
- ⇒ Expecting a ripple effect in the industry by disclosing the introduction effect through materials of REITs



Appendix

IV

Strategic investment in three major metropolitan areas

Ratio of investment in three major metropolitan areas

86.1%

Kinki area
43.0%

Core cities 11.3%

Tokyo metropolitan area
41.1%

Chubu area 2.0%

Other areas 2.6%

Serviced housing for the elderly

Medical service-related facilities, etc.






Complex of paid nursing homes, medical service-related facilities, etc.

- ① SOMPO CARE Sompō no ie S Awajiekimae
- ② SOMPO CARE Sompō no ie S Kobekamisawa
- ① Niigata Rehabilitation Hospital
- ① SHIP SENRI BUILDING

Paid nursing home

- ① AQUAMARINE Nishinomiya-hama
- ② Bonsejour Chitose-funabashi
- ③ Bonsejour Hino
- ④ Bonsejour Musashi-shinjo
- ⑤ Medical Rehabilitation Home Bonsejour Hadanoshibusawa
- ⑥ Medical Rehabilitation Home Bonsejour Komaki
- ⑦ ASHEIM Hikarigaoka
- ⑧ ASHEIM Bunkyo-hakusan
- ⑨ SOMPO CARE La vie Re Machida-onji
- ⑩ SOMPO CARE La vie Re Azamino
- ⑪ SAWAYAKA Tachibanakan
- ⑫ SAWAYAKA Mekarikan
- ⑬ SAWAYAKA Tagawakan
- ⑭ GOOD TIME HOME Fudo-mae
- ⑮ Bonsejour Yotsugi
- ⑯ Medical Home Bonsejour Itami
- ⑰ Kobe Gakuentoshi Building (Happine Kobegakuentoshi)
- ⑱ GreenLife Moriguchi
- ⑲ Happine 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

Details of Portfolio (As of the end of 9th Fiscal Period) (1)

| Paid nursing home | | | | | |
|---|---|--|---|---|---|
| | ① | ② | ③ | ④ | ⑤ |
| | AQUAMARINE Nishinomiya-hama | Bonjour Chitose-funabashi | Bonjour Hino | Bonjour Musashi-shinjo | Medical Rehabilitation Home Bonjour Hadanoshibusawa |
| |  |  |  |  |  |
| Location | 4-15-2, Nishinomiya-hama, 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 Hanshin Main Line | Chitose-funabashi Station on Odakyu Odawara Line | Mogusaen Station on Keio Line | Musashi-Shinjo Station on 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 ^(Note 1) | 119 million yen | 49 million yen | 43 million yen | 36 million yen | 47 million yen |
| Appraisal NOI yield ^(Note 1) | 6.1% | 5.9% | 6.0% | 6.2% | 6.4% |
| Appraisal Value ^(Note 1) | 2,140 million yen | 974 million yen | 818 million yen | 643 million yen | 850 million yen |
| Acquisition Price (ratio) | 1,950 million yen (3.0%) | 824 million yen (1.3%) | 724 million yen (1.1%) | 582 million yen (0.9%) | 728 million yen (1.1%) |
| Site area | 2,587.93 m ² | 1,020.92 m ² | 2,211.28 m ² | 1,233.49 m ² | 2,588.04 m ² |
| Leasable area | 5,274.54 m ² | 2,342.17 m ² | 1,984.17 m ² | 1,710.43 m ² | 3,435.79 m ² |
| Structure/ Number of floor ^(Note 2) | 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 ^(Note 3) | 100% | 95.7% | 93.1% | 89.8% | 93.1% |
| Operator | GREEN LIFE | Benesse style Care | Benesse style Care | Benesse style Care | Benesse style Care |
| Remaining years of lease agreement ^(Note 4) | 17.8 years | 6.8 years | 6.8 years | 7.3 years | 7.8 years |


(Note 1): Figures in Appraisal NOI, Appraisal NOI yield and Appraisal Value are as of July 31, 2019. 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): Occupancy Rate indicates the ratio obtained by dividing the number of residents by resident capacity, rounded to the first decimal place.

(Note 4): Remaining years of lease agreement is as of July 31, 2019, rounded down to the first decimal place.

Details of Portfolio (As of the end of 9th Fiscal Period) (2)

| 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 Meitetsu Komaki Line | Shakujii-koen Station on Seibu Ikebukuro Line | Hakusan Station on Toei Subway Mita Line | Keio Nagayama Station on Keio Sagamihara Line | Odakyu Nagayama Station on Odakyu Tama 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 ^(Note 1) | 92 million yen | 76 million yen | 74 million yen | 193 million yen | 156 million yen |
| Appraisal NOI yield ^(Note 1) | 7.3% | 5.5% | 5.1% | 5.3% | 5.1% |
| Appraisal Value ^(Note 1) | 1,450 million yen | 1,570 million yen | 1,650 million yen | 3,790 million yen | 3,230 million yen |
| Acquisition Price (ratio) | 1,270 million yen (2.0%) | 1,385 million yen (2.1%) | 1,430 million yen (2.2%) | 3,580 million yen (5.5%) | 3,050 million yen (4.7%) |
| Site area | 8,229.85 m ² | 2,868.46 m ² | 540.29 m ² | 7,404.13 m ² | 2,748.64 m ² |
| Leasable area | 8,858.49 m ² | 3,628.60 m ² | 2,507.25 m ² | 7,720.17 m ² | 5,789.25 m ² |
| Structure/ Number of floor ^(Note 2) | SRC, 10F | RC, 3F | RC, 8F | RC, B1F/6F | RC, B1F/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 ^(Note 3) | 74.5% | 91.0% | 94.2% | 68.0% | 67.6% |
| Operator | Benesse style Care | AS PARTNERS | AS PARTNERS | Sompo Care | Sompo Care |
| Remaining years of lease agreement ^(Note 4) | 7.8 years | 14.6 years | 7.6 years | 8.2 years | 7.9 years |

(Note 1): Figures in Appraisal NOI, Appraisal NOI yield and Appraisal Value are as of July 31, 2019. 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): Occupancy Rate indicates the ratio obtained by dividing the number of residents by resident capacity, rounded to the first decimal place.

(Note 4): Remaining years of lease agreement is as of July 31, 2019, rounded down to the first decimal place.

Details of Portfolio (As of the end of 9th Fiscal Period) (3)



| Location | 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 |
|---|---|---|--|--|--|
| Nearest Station | Sasahara Station on JR Kagoshima Honsen Line | Mojiko Station on JR Kagoshima Honsen Line | Magarikane Station on Heisei Chikuho Railway Tagawa Line | Fudo-mae Station on Tokyu Meguro Line | Yotsugi Station on Keisei Railway Oshiage Line |
| Construction Completion | October 2005 | November 2005 | January 2006 | March 1992 | March 1989 |
| 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 2016 |
| Appraisal NOI ^(Note 1) | 95 million yen | 87 million yen | 26 million yen | 92 million yen | 48 million yen |
| Appraisal NOI yield ^(Note 1) | 6.3% | 6.3% | 6.6% | 5.2% | 5.8% |
| Appraisal Value ^(Note 1) | 1,590 million yen | 1,450 million yen | 411 million yen | 1,950 million yen | 886 million yen |
| Acquisition Price (ratio) | 1,520 million yen (2.3%) | 1,380 million yen (2.1%) | 390 million yen (0.6%) | 1,740 million yen (2.7%) | 824 million yen (1.3%) |
| Site area | 3,359.66 m ² | 3,758.26 m ² | 4,300.90 m ² | 1,206.60 m ² | 1,136.46m ² |
| Leasable area | 5,652.94 m ² | 4,720.46 m ² | 2,366.20 m ² | 3,400.20 m ² | 1,962.89m ² |
| Structure/ Number of floor ^(Note 2) | RC, B1F/6F | RC, 4F | RC, 3F | RC (S in part) , B1F/5F | RC, 5F |
| Number of Rooms /Resident Capacity | 104 rooms, 104 people | 95 rooms, 95 people | 60 rooms, 60 people | 61 rooms, 67 people | 61 rooms, 65 people |
| Occupancy Rate ^(Note 3) | 100% | 97.9% | 98.3% | 86.6% | 90.8% |
| Operator | Sawayaka Club | Sawayaka Club | Sawayaka Club | JAPAN LIFE DESIGN | Benesse Style Care |
| Remaining years of lease agreement ^(Note 4) | 8.5 years | 8.5 years | 8.5 years | 7.3 years | 6.4 years |





(Note 1): Figures in Appraisal NOI, Appraisal NOI yield and Appraisal Value are as of July 31, 2019. 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): Occupancy Rate indicates the ratio obtained by dividing the number of residents by resident capacity, rounded to the first decimal place.

(Note 4): Remaining years of lease agreement is as of July 31, 2019, rounded down to the first decimal place.

Details of Portfolio (As of the end of 9th Fiscal Period) (4)

| Paid nursing home | | | | | |
|---|---|--|---|---|---|
| | 16 | 17 | 18 | 19 | 20 |
| | Medical home Bonsejour Itami | Kobe Gakuentoshi Building (Happine Kobegakuentoshi) | GreenLife Moriguchi | Happine 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 Hankyu Railway Itami Line | Gakuentoshi Station on Kobe Municipal Subway Seishin- Yamate Line | Dainichi Station on Osaka Municipal Subway Tanimachi Line and Osaka Monorail | Uozaki Station on Hanshin Electric Railway | Tsuruma Station on Odakyu Enoshima Line |
| Construction Completion | March 1988 | 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 ^(Note 1) | 36 million yen | 225 million yen | 220 million yen | 48 million yen | 53 million yen |
| Appraisal NOI yield ^(Note 1) | 7.1% | 5.2% | 5.3% | 5.2% | 5.3% |
| Appraisal Value ^(Note 1) | 557 million yen | 4,410 million yen | 4,400 million yen | 995 million yen | 1,060 million yen |
| Acquisition Price (ratio) | 514 million yen (0.8%) | 4,320 million yen (6.7%) | 4,150 million yen (6.4%) | 930 million yen (1.4%) | 1,000 million yen (1.5%) |
| Site area | 1,976.11 m ² | 2,742.81 m ² | 5,872.83 m ² | 932.94m ² | 2,877.11m ² |
| Leasable area | 2,129.87 m ² | 12,636.48 m ² | 8,356.85 m ² | 1,772.89 m ² | 3,427.08 m ² |
| Structure/ Number of floor ^(Note 2) | SRC, 11F | RC, B1F/9F | SRC, 9F | S, B1F/4F | RC (S in part), 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 ^(Note 3) | 96.9% | 93.5% | 100% | 100% | 80.0% |
| Operator | Benesse Style Care | GREEN LIFE | GREEN LIFE | GREEN LIFE | Benesse Style Care |
| Remaining years of lease agreement ^(Note 4) | 7.8 years | 21.6 years | 20.2 years | 21.6 years | 2.6 years |

(Note 1): Figures in Appraisal NOI, Appraisal NOI yield and Appraisal Value are as of July 31, 2019. 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): Occupancy Rate indicates the ratio obtained by dividing the number of residents by resident capacity, rounded to the first decimal place.

(Note 4): Remaining years of lease agreement is as of July 31, 2019, rounded down to the first decimal place.

Details of Portfolio (As of the end of 9th Fiscal Period) (5)

| 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 Tsukuba Express | Niigata Station on JR Shinetsu Main Line | Yoshinocho Station on Yokohama Municipal Subway Blue Line | Misakiguchi Station on Keikyu Kurihama Line | Odasakae Station on 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 ^(Note 1) | 119 million yen | 45 million yen | 56 million yen | 35 million yen | 89 million yen |
| Appraisal NOI yield ^(Note 1) | 5.3% | 5.9% | 5.2% | 5.7% | 5.2% |
| Appraisal Value ^(Note 1) | 2,440 million yen | 862 million yen | 1,190 million yen | 664 million yen | 1,820 million yen |
| Acquisition Price (ratio) | 2,253 million yen (3.5%) | 770 million yen (1.2%) | 1,071 million yen (1.7%) | 615 million yen (0.9%) | 1,710 million yen (2.6%) |
| Site area | 2,069.41m ² | 2,597.52 m ² | 428.76 m ² | 1,017.55 m ² | 2,832.33 m ² |
| Leasable area | 3,870.98 m ² | 4,311.20 m ² | 1,710.68 m ² | 1,959.64 m ² | 4,060.21 m ² |
| Structure/ Number of floor ^(Note 2) | RC, 4F | S, 5F | RC, 7F | RC, 4F | RC, 4F (Exclusive 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 ^(Note 3) | 87.8% | 100.0% | 94.1% | 98.1% | 75.9% |
| Operator | GREEN LIFE HIGASHI NIHON Co., Ltd. | Medical Corporation AIKOKAI | Proud Life Inc. | Proud Life Inc. | Sompo Care |
| Remaining years of lease agreement ^(Note 4) | 17.5 years | 17.0 years | 13.3 years | 13.3 years | 8.4 years |

(Note 1): Figures in Appraisal NOI, Appraisal NOI yield and Appraisal Value are as of July 31, 2019. 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): Occupancy Rate indicates the ratio obtained by dividing the number of residents by resident capacity, rounded to the first decimal place.

(Note 4): Remaining years of lease agreement is as of July 31, 2019, rounded down to the first decimal place.

Details of Portfolio (As of the end of 9th Fiscal Period) (6)

| Paid nursing home | | | | | |
|---|---|--|---|---|---|
| | 26 | 27 | 28 | 29 | 30 |
| | Hanakotoba Shin-Yokohama | Hanakotoba Shin-Yokohama II | Hanakotoba Odawara | Verde Minowa | Verde Hotaka |
| |  |  |  |  |  |
| Location | 1-11-5, Shinyokohama, Kohoku-ku, Yokohama-shi, Kanagawa | 1-11-11, Shinyokohama, Kohoku-ku, Yokohama-shi, Kanagawa | 3-383-10, Sakawa, Odawara-shi, Kanagawa | 839-4, Azamachiyabo, Kamishiba, Misatomachi, Takasaki-shi, Gunma | 1221, Azamaebara, Oazanamashina, Kawaba-mura, Tone-gun, Gunma |
| Nearest Station | Shin-Yokohama Station on Yokohama Municipal Subway Blue Line and JR Yokohama Line | Shin-Yokohama Station on Yokohama Municipal Subway Blue Line and JR Yokohama Line | Kamonomiya Station on JR Tokaido Line | Takasaki Station on JR Takasaki Line | Numata Station on JR Joetsu Line |
| Construction Completion | March 2004 | April 2007 | September 2009 | November 2003 (Building 1) February 1974 (Building 2) | September 1982 (Building 1) July 1989 (Building 2) |
| Acquisition Period | 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 |
| Appraisal NOI ^(Note 1) | 109 million yen | 22 million yen | 49 million yen | 109 million yen | 90 million yen |
| Appraisal NOI yield ^(Note 1) | 5.2% | 5.8% | 5.6% | 6.7% | 7.0% |
| Appraisal Value ^(Note 1) | 2,230 million yen | 401 million yen | 948 million yen | 1,700 million yen | 1,360 million yen |
| Acquisition Price (ratio) | 2,071 million yen (3.2%) | 375 million yen (0.6%) | 880 million yen (1.4%) | 1,620 million yen (2.5%) | 1,290 million yen (2.0%) |
| Site area | 894.00 m ² | 375.00 m ² | 1,202.12 m ² | 7,550.81 m ² | 4,375.31 m ² |
| Leasable area | 5,230.23 m ² | 1,837.29 m ² | 2,203.42 m ² | 11,098.17 m ² | 6,352.86 m ² |
| Structure/ Number of floor ^(Note 2) | RC, 9F | RC, B1F/7F | RC, 4F | S, 5F (Building 1) S/RC, 8F (Building 2) | S/SRC, 5F (Building 1) S, 2F (Building 2) |
| Number of Rooms/ Resident Capacity | 136 rooms, 136 people | 29 rooms, 30 people | 60 rooms, 65 people | 174 rooms, 206 people | 121 rooms, 174 people |
| Occupancy Rate ^(Note 3) | 95.6% | 73.3% | 93.8% | 97.6% | 98.9% |
| Operator | Proud Life Inc. | Proud Life Inc. | Proud Life Inc. | Verde Corporation | Verde Corporation |
| Remaining years of lease agreement ^(Note 4) | 13.3 years | 13.3 years | 13.3 years | 7.8 years | 7.8 years |






(Note 1): Figures in Appraisal NOI, Appraisal NOI yield and Appraisal Value are as of July 31, 2019. 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): Occupancy Rate indicates the ratio obtained by dividing the number of residents by resident capacity, rounded to the first decimal place. (However, the occupancy rate as of the end of July based on the interview with the operator is indicated for Hanakotoba Shin-Yokohama II)

(Note 4): Remaining years of lease agreement is as of July 31, 2019, rounded down to the first decimal place.

Details of Portfolio (As of the end of 9th Fiscal Period) (7)

| | Paid nursing home | Serviced housing for the elderly | | Medical service-related facilities, etc. | Complex of paid nursing homes, medical service-related facilities, etc. |
|---|---|--|---|---|---|
| | 31 | 1 | 2 | 1 | 1 |
| | Sunny Life Kita-Shinagawa | SOMPO CARE Sompō no ie S Awajiekimae | SOMPO CARE Sompō no ie S Kobekamisawa | Niigata Rehabilitation Hospital | SHIP SENRI BUILDING |
| |  |  |  |  |  |
| Location | 3-8-6, Kitashinagawa, Shinagawa-ku, Tokyo | 3-20-26, Awaji, Higashiyodogawa-ku, Osaka-shi, Osaka | 8-2-5, Kamisawadori, Hyogo-ku, Kobe-shi, Hyogo | 761 Kizaki, Kita-ku, Niigata-shi, Niigata | 1-4-3, Shinsenri-higashimachi, Toyonaka-shi, Osaka |
| Nearest Station | Shimbamba Station on Keikyu Line | Awaji Station on Hankyu Railway Kyoto and Senri Lines | Kamisawa Station on Kobe Municipal Subway Seishin-Yamate Line | Hayadori Station on JR Hakushin Line | Senri-Chuo Station on Kita-Osaka Kyuko Namboku Line and Osaka Monorail |
| Construction Completion | September 2018 | June 2009 | June 2009 | April 1990 (Building 1) February 2001 (Building 2) | September 2008 |
| Acquisition Period | Fiscal period ended July 2019 | Fiscal period ended July 2015 | Fiscal period ended July 2015 | Fiscal period ended January 2018 | Fiscal period ended July 2019 |
| Appraisal NOI ^(Note 1) | 91 million yen | 116 million yen | 72 million yen | 152 million yen | 680 million yen |
| Appraisal NOI yield ^(Note 1) | 4.9% | 6.0% | 6.0% | 7.4% | 5.2% |
| Appraisal Value ^(Note 1) | 1,970 million yen | 2,170 million yen | 1,340 million yen | 2,260 million yen | 14,300 million yen |
| Acquisition Price (ratio) | 1,825 million yen (2.8%) | 1,930 million yen (3.0%) | 1,200 million yen (1.8%) | 2,060 million yen (3.2%) | 12,920 million yen (19.9%) |
| Site area | 1,105.12 m ² | 1,251.26 m ² | 743.22 m ² | 15,056.85 m ² | 4,202.65 m ² |
| Leasable area | 2,135.54 m ² | 5,745.15 m ² | 4,058.35 m ² | 13,476.55 m ² | 24,813.85 m ² |
| Structure/ Number of floor ^(Note 2) | S, 3F | RC, 12F | S, 9F | RC, 3F (Building 1) S, 5F (Building 2) | RC, B1/11F |
| Number of Rooms/ Resident Capacity | 66 rooms, 66 people | 137 rooms/137 people ^(Note 3) | 85 rooms, 85 people | 168 beds | Hospital: 400 beds Paid nursing home: 181 rooms, 200 people |
| Occupancy Rate ^(Note 4) | 90.9% | 99.3% | 98.8% | — | Paid nursing home: 100 % |
| Operator | Kawashima Corporation | Sompo Care | Sompo Care | Medical Corporation AIKOKAI | Kyowakai Medical Corporation GREENLIFE |
| Remaining years of lease agreement ^(Note 5) | 24.2 years | 15.0 years | 15.0 years | 27.6 years | 19.2 years |

(Note 1): Figures in Appraisal NOI, Appraisal NOI yield and Appraisal Value are as of July 31, 2019. 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): Number of rooms/resident capacity as a serviced housing for the elderly is 136 rooms/136 people

(Note 4): Occupancy Rate indicates the ratio obtained by dividing the number of residents by resident capacity, rounded to the first decimal place. (However, the occupancy rate as of the end of June based on the interview with the operator is indicated for Sunny Life Kita-Shinagawa)

(Note 5): Remaining years of lease agreement is as of July 31, 2019, rounded down to the first decimal place.

IV Appendix

Operator List (1)

| Operator name | Number of facilities (Note 1) | | Attribute | Remarks | Facilities owned by HCM |
|------------------------------------|--|----------|---|---|--|
| | Facilities and housing for the elderly | Hospital | | | |
| GREEN LIFE Inc. | 25 | – | Consolidated subsidiary of SHIP HEALTHCARE HOLDINGS, INC., which is listed on the TSE First Section | 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 GreenLife Moriguchi Hapine Kobe Uozaki Nibankan Smiling Home Medice Adachi SHIP SENRI BUILDING (Well House Senri-Chuo) |
| GREEN LIFE HIGASHI NIHON Co., Ltd. | 36 | – | | | |
| Sompo Care Inc. | 441 | – | Consolidated subsidiary of Sompo Holdings, Inc., which is listed on the TSE First Section | 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 S Awajiekimae SOMPO CARE Sompo no ie S Kobekamisawa SOMPO CARE La vie Re Hama-Kawasaki |
| Benesse Style Care Co., Ltd. | 323 | – | Consolidated subsidiary of Benesse Holdings, Inc., which is listed on the TSE First Section | 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 |
| Sawayaka Club Co., Ltd. | 85 | – | Consolidated subsidiary of UCHIYAMA HOLDINGS Co., Ltd., which is listed on the TSE First Section | Operates low-price facilities with no initial fees under the SAWAYAKA brand in Fukuoka Prefecture and elsewhere in Japan. | SAWAYAKA Tachibanakan SAWAYAKA Mekarikan SAWAYAKA Tagawakan |
| AS PARTNERS Co., Ltd. | 17 | – | Unlisted company | Operates paid nursing homes and day service facilities under the ASHEIM brand in the Greater Tokyo Area. | ASHEIM Hikarigaoka ASHEIM Bunkyo Hakusan |

(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 July 31, 2019).

IV Appendix

Operator List (2)

| Operator name | Number of facilities (Note 1) | | Attribute | Remarks | Facilities owned by HCM |
|------------------------------|--|----------|---|---|--|
| | Facilities and housing for the elderly | Hospital | | | |
| 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 |
| Medical Corporation AIKOKAI | 10 | 2 | A medical corporation which belongs to NSG Group with sales of over 80 billion yen (Note 3) | 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 (AIKOUEN ICHIBANKAN) Niigata Rehabilitation Hospital |
| Kyowakai Medical Corporation | 4 (Note 2) | 6 | – | A major medical corporation operating a wide range of businesses including six hospitals (2,024 beds), four long-term care health facilities (495 beds) and home care support. Provides safe and convenient medical/nursing care services for all, from those in an acute stage to those in need of rehabilitation, at-home medical/nursing care. | SHIP SENRI BUILDING (Senri-Chuo Hospital) |
| Kawashima Corporation | 116 | – | 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 |
| Proud Life Inc. | 26 | – | Consolidated subsidiary of Sony Financial Holdings Inc., which is listed on the TSE First Section | Former Yuuai Holdings Group company. Operates paid nursing homes, etc. under the “Hanakotoba” brand centering on Kanagawa. Came under Sony Financial Holdings Inc. in 2017. | Hanakotoba Minami Hanakotoba Miura Hanakotoba Odawara Hanakotoba Shin-Yokohama Hanakotoba Shin-Yokohama II |
| Verde Corporation | 5 | – | 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 |

(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 July 31, 2019).

(Note 2): Only the number of long-term care health facilities is indicated.

(Note 3): Indicates the actual figures in fiscal 2017 based on NSG Group’s website.

Summary of Appraisal Report (1)

| Property name | Appraisal company | Summary of Appraisal Report | | | | | | | End of January 2019 | |
|---|---------------------------------------|---|-------------------------------------|-------------------------------|-------------------------------------|----------------------|---|--|---|--|
| | | Appraisal value (million yen) (Note 1) (A) | Direct capitalization method | | DCF method | | | Appraisal NOI (million yen) (Note 2) | Appraisal value (million yen) (B) | Difference (million yen) (A) - (B) |
| | | | Indicated value (million yen) | Capitalization rate (%) | Indicated value (million yen) | Discount rate (%) | Terminal capitalization rate (%) | | | |
| AQUAMARINE Nishinomiyahama | Rich Appraisal Institute Co., Ltd. | 2,140 | 2,160 | 5.3 | 2,130 | 5.0 | 5.5 | 119 | 2,140 | 0 |
| Bonjour Chitose-funabashi | The Tanizawa Sogo Appraisal Co., Ltd. | 974 | 993 | 4.4 | 966 | 4.5 | 4.6 | 49 | 974 | 0 |
| Bonjour Hino | The Tanizawa Sogo Appraisal Co., Ltd. | 818 | 832 | 4.8 | 812 | 4.9 | 5.0 | 43 | 818 | 0 |
| Bonjour Musashi-shinjo | The Tanizawa Sogo Appraisal Co., Ltd. | 643 | 653 | 5.1 | 638 | 5.2 | 5.3 | 36 | 643 | 0 |
| Medical Rehabilitation Home Bonjour Hadanoshibusawa | The Tanizawa Sogo Appraisal Co., Ltd. | 850 | 864 | 5.0 | 844 | 5.1 | 5.2 | 47 | 850 | 0 |
| Medical Rehabilitation Home Bonjour 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 | 1,570 | 1,580 | 4.8 | 1,560 | 4.6 | 5.0 | 76 | 1,570 | 0 |
| ASHEIM Bunkyoakusan | Japan Real Estate Institute | 1,650 | 1,670 | 4.4 | 1,630 | 4.2 | 4.6 | 74 | 1,630 | +20 |
| SOMPO CARE La vie Re Machidaonaji | Japan Real Estate Institute | 3,790 | 3,830 | 4.9 | 3,740 | 4.7 | 5.1 | 193 | 3,810 | -20 |
| SOMPO CARE La vie Re Azamino | Japan Real Estate Institute | 3,230 | 3,270 | 4.6 | 3,190 | 4.4 | 4.8 | 156 | 3,270 | -40 |
| SAWAYAKA Tachibanakan | Japan Real Estate Institute | 1,590 | 1,600 | 5.6 | 1,570 | 5.4 | 5.8 | 95 | 1,580 | +10 |
| SAWAYAKA Mekarikan | Japan Real Estate Institute | 1,450 | 1,460 | 5.7 | 1,440 | 5.5 | 5.9 | 87 | 1,450 | 0 |
| SAWAYAKA Tagawakan | Japan Real Estate Institute | 411 | 414 | 5.8 | 408 | 5.6 | 6.0 | 26 | 412 | -1 |
| GOOD TIME HOME Fudo-mae | Japan Real Estate Institute | 1,950 | 1,970 | 4.4 | 1,920 | 4.2 | 4.6 | 92 | 1,940 | +10 |
| Bonjour Yotsugi | The Tanizawa Sogo Appraisal Co., Ltd. | 886 | 902 | 4.7 | 879 | 4.8 | 4.9 | 48 | 886 | 0 |
| Medical Home Bonjour Itami | The Tanizawa Sogo Appraisal Co., Ltd. | 557 | 566 | 5.1 | 553 | 5.2 | 5.3 | 36 | 557 | 0 |
| Kobe Gakuentoshi Building (Happine Kobegakuentoshi) | DAIWA REAL ESTATE APPRAISAL CO.,LTD. | 4,410 | 4,470 | 4.7 | 4,390 | 4.5 | 4.9 | 225 | 4,420 | -10 |
| GreenLife Moriguchi | DAIWA REAL ESTATE APPRAISAL CO.,LTD. | 4,400 | 4,460 | 4.6 | 4,370 | 4.4 | 4.8 | 220 | 4,410 | -10 |
| Happine 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. | 2,440 | 2,470 | 4.7 | 2,430 | 4.8 | 4.9 | 119 | 2,440 | 0 |

(Note 1): "Appraisal value" is based on the appraisal report with July 31, 2019, as the appraisal date.

(Note 2): "Appraisal NOI" indicates net operating income obtained by direct capitalization method stated in real estate appraisal report with July 31, 2019, as the appraisal date, and is rounded down to the nearest million yen. The above appraisal NOI is NOI obtained by direct capitalization method.

Summary of Appraisal Report (2)

| Property name | Appraisal company | Summary of Appraisal Report | | | | | | | End of January 2019 (Note 3) | |
|---|--|---|-------------------------------------|-------------------------------|-------------------------------------|----------------------|---|--|---|---|
| | | Appraisal value (million yen) (Note 1) (A) | Direct capitalization method | | DCF method | | | Appraisal NOI (million yen) (Note 2) | Appraisal value (million yen) (B) | Difference (million yen) (A)- (B) |
| | | | Indicated value (million yen) | Capitalization rate (%) | Indicated value (million yen) | Discount rate (%) | Terminal capitalization rate (%) | | | |
| AIKOEN ICHIBANKAN Building (AIKOEN ICHIBANKAN) | The Tanizawa Sogo Appraisal Co., Ltd. | 862 | 866 | 5.2 | 860 | 5.3 | 5.4 | 45 | 863 | -1 |
| Hanakotoba Minami | Japan Real Estate Institute | 1,190 | 1,200 | 4.6 | 1,170 | 4.4 | 4.8 | 56 | 1,190 | 0 |
| Hanakotoba Miura | The Tanizawa Sogo Appraisal Co., Ltd. | 664 | 671 | 4.9 | 661 | 5.0 | 5.1 | 35 | 664 | 0 |
| SOMPO CARE La vie Re Hama-Kawasaki | JLL Morii Valuation & Advisory K.K. | 1,820 | 1,850 | 4.6 | 1,790 | 4.4 | 4.8 | 89 | <u>1,820</u> | 0 |
| Hanakotoba Shin-Yokohama | Japan Real Estate Institute | 2,230 | 2,260 | 4.5 | 2,200 | 4.3 | 4.7 | 109 | <u>2,230</u> | 0 |
| Hanakotoba Shin-Yokohama II | Japan Real Estate Institute | 401 | 403 | 4.8 | 398 | 4.6 | 5.0 | 22 | <u>401</u> | 0 |
| Hanakotoba Odawara | The Tanizawa Sogo Appraisal Co., Ltd. | 948 | 960 | 4.9 | 943 | 4.8/5.0 | 5.1 | 49 | <u>948</u> | 0 |
| Verde Minowa | DAIWA REAL ESTATE APPRAISAL CO.,LTD. | 1,700 | 1,710 | 5.0 | 1,690 | 4.8 | 5.2 | 109 | <u>1,700</u> | 0 |
| Verde Hotaka | DAIWA REAL ESTATE APPRAISAL CO.,LTD. | 1,360 | 1,370 | 5.6 | 1,350 | 5.4 | 5.8 | 90 | <u>1,360</u> | 0 |
| Sunny Life Kita-Shinagawa | DAIWA REAL ESTATE APPRAISAL CO.,LTD. | 1,970 | 2,000 | 4.5 | 1,950 | 4.3 | 4.7 | 91 | <u>1,960</u> | +10 |
| SOMPO CARE Sampo no ie S Awajiekimae | Japan Real Estate Institute | 2,170 | 2,190 | 5.2 | 2,140 | 5.0 | 5.4 | 116 | 2,170 | 0 |
| SOMPO CARE Sampo no ie S Kobekamisawa | Japan Real Estate Institute | 1,340 | 1,350 | 5.2 | 1,320 | 5.0 | 5.4 | 72 | 1,340 | 0 |
| Niigata Rehabilitation Hospital | Japan Real Estate Institute | 2,260 | 2,270 | 6.6 | 2,250 | 6.4 | 6.8 | 152 | 2,260 | 0 |
| SHIP SENRI BUILDING | The Tanizawa Sogo Appraisal Co., Ltd. | 14,300 | 14,400 | 4.5 | 14,200 | 4.5/4.6 | 4.7 | 680 | <u>14,300</u> | 0 |
| Total | | 70,479 | 71,204 | — | 69,870 | — | — | 3,665 | 70,511 | -32 |

(Note 1): "Appraisal value" is based on the appraisal report with July 31, 2019, as the appraisal date.

(Note 2): "Appraisal NOI" indicates net operating income obtained by direct capitalization method stated in real estate appraisal report with July 31, 2019, as the appraisal date, and is rounded down to the nearest million yen. The above appraisal NOI is NOI obtained by direct capitalization method.

(Note 3): Appraisal value based on the appraisal report with November 30, 2018, as the appraisal date is indicated for the 8 properties acquired on February 1, 2019.

IV Appendix Status of Income/Expenditure of Owned Properties (As of the End of the 9th Fiscal Period)

(Unit: thousand yen)

| Property name | Real estate lease business revenue | | | Real estate lease business expenses | | | | | | | NOI (Note 2) |
|---|------------------------------------|--------------|---------------|-------------------------------------|--------------|-------------|-----------------|--------------------|-------------------------------|-------|--------------|
| | | Rent revenue | Other revenue | | Property tax | Outsourcing | Repair expenses | Insurance expenses | Depreciation and amortization | Other | |
| AQUAMARINE Nishinomiyahama | Not disclosed (Note 1) | | | 23,183 | 3,004 | 2,100 | 2,504 | 189 | 14,985 | 400 | 59,144 |
| Bonsejour Chitose-funabashi | | | | 5,568 | 1,794 | 224 | - | 95 | 3,048 | 404 | 21,358 |
| Bonsejour Hino | | | | 5,057 | 1,240 | 213 | - | 73 | 3,130 | 400 | 19,478 |
| Bonsejour Musashi-shinjo | | | | 4,091 | 1,012 | 167 | - | 64 | 2,447 | 400 | 16,133 |
| Medical Rehabilitation Home Bonsejour Hadanoshibusawa | | | | 8,386 | 1,824 | 213 | - | 131 | 5,817 | 400 | 21,080 |
| Medical Rehabilitation Home Bonsejour Komaki | | | | 14,098 | 4,566 | 201 | - | 302 | 8,627 | 400 | 39,516 |
| ASHEIM Hikarigaoka | | | | 12,893 | 3,687 | 388 | 1,006 | 138 | 7,272 | 400 | 38,178 |
| ASHEIM Bunkyoakusan | | | | 10,556 | 2,502 | 388 | - | 103 | 7,161 | 400 | 36,730 |
| SOMPO CARE La vie Re Machidaonaji | | | | 44,301 | 5,878 | 780 | 745 | 306 | 36,190 | 400 | 96,889 |
| SOMPO CARE La vie Re Azamino | | | | 33,712 | 4,795 | 780 | 1,580 | 224 | 25,933 | 400 | 77,424 |
| SAWAYAKA Tachibanakan | | | | 26,185 | 2,660 | 1,140 | - | 263 | 21,721 | 400 | 47,410 |
| SAWAYAKA Mekarikan | | | | 25,635 | 2,978 | 1,140 | - | 167 | 20,949 | 400 | 43,597 |
| SAWAYAKA Tagawakan | | | | 8,320 | 1,122 | 1,140 | - | 79 | 5,578 | 400 | 12,951 |
| GOOD TIME HOME Fudo-mae | | | | 12,609 | 3,092 | 600 | 282 | 144 | 8,089 | 400 | 46,479 |
| Bonsejour Yotsugi | | | | 4,942 | 970 | 223 | - | 62 | 3,286 | 400 | 20,712 |
| Medical Home Bonsejour Itami | | | | 6,503 | 1,377 | 371 | - | 95 | 4,260 | 400 | 13,939 |
| Kobe Gakuentoshi Building (Happine Kobegakuentoshi) | | | | 52,163 | 9,599 | 900 | 1,346 | 490 | 39,427 | 400 | 112,763 |
| GreenLife Moriguchi | | | | 34,536 | 6,956 | 1,388 | 1,733 | 321 | 23,735 | 400 | 109,199 |
| Happine Kobe Uozaki Nibankan | | | | 9,699 | 1,401 | 1,200 | 177 | 76 | 6,444 | 400 | 24,244 |
| Granda Tsuruma-Yamato | | | | 7,143 | 1,938 | 618 | - | 128 | 4,058 | 400 | 27,164 |

(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

IV Appendix Status of Income/Expenditure of Owned Properties (As of the End of the 9th Fiscal Period)

(Unit: thousand yen)

| Property name | Real estate lease business revenue | | | Real estate lease business expenses | | | | | | | NOI (Note 2) |
|---|------------------------------------|--------------|---------------|-------------------------------------|--------------|-------------|-----------------|--------------------|-------------------------------|--------|--------------|
| | | Rent revenue | Other revenue | | Property tax | Outsourcing | Repair expenses | Insurance expenses | Depreciation and amortization | Other | |
| Smiling Home Medice Adachi | Not disclosed (Note 1) | | | 13,316 | 3,231 | 540 | 454 | 150 | 8,541 | 400 | 59,952 |
| AIKOEN ICHIBANKAN Building (AIKOEN ICHIBANKAN) | | | | 8,559 | 2,563 | 780 | 90 | 95 | 4,630 | 400 | 22,731 |
| Hanakotoba Minami | | | | 6,648 | 1,545 | 600 | 47 | 64 | 3,991 | 400 | 27,943 |
| Hanakotoba Miura | | | | 6,548 | 1,536 | 600 | 80 | 76 | 3,855 | 400 | 17,706 |
| SOMPO CARE La vie Re Hama-Kawasaki | | | | 14,152 | - | 2,770 | - | 175 | 10,809 | 396 | 46,764 |
| Hanakotoba Shin-Yokohama | | | | 10,285 | - | 900 | 359 | 210 | 8,418 | 396 | 60,045 |
| Hanakotoba Shin-Yokohama II | | | | 2,929 | - | 600 | - | 78 | 1,853 | 396 | 13,737 |
| Hanakotoba Odawara | | | | 6,341 | - | 600 | - | 84 | 5,260 | 396 | 26,531 |
| Verde Minowa | | | | 19,941 | - | 1,020 | 196 | 433 | 17,894 | 396 | 61,929 |
| Verde Hotaka | | | | 22,376 | - | 1,020 | 549 | 212 | 19,701 | 892 | 47,435 |
| Sunny Life Kita-Shinagawa | | | | 7,362 | - | 600 | - | 99 | 6,265 | 396 | 48,403 |
| SOMPO CARE Sompō no ie S Awajiekimae | | | | 27,311 | 4,931 | 510 | 300 | 234 | 20,934 | 400 | 58,081 |
| SOMPO CARE Sompō no ie S Kobekamisawa | | | | 17,144 | 2,912 | 510 | 566 | 147 | 12,608 | 400 | 35,754 |
| Niigata Rehabilitation Hospital | | | | 26,323 | 9,860 | 1,030 | - | 328 | 14,604 | 500 | 78,161 |
| SHIP SENRI BUILDING | | | | 47,889 | - | 1,500 | - | 994 | 44,997 | 396 | 368,910 |
| Total | 2,008,674 | 2,000,800 | 7,874 | 586,721 | 88,986 | 27,761 | 12,018 | 6,847 | 436,533 | 14,574 | 1,858,487 |

(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

Balance Sheet and Statement of Income for the 9th Fiscal Period

Balance Sheet

(Unit: thousand yen)

| | 8th Fiscal Period (Ended January 2019) | 9th Fiscal Period (Ended July 2019) |
|--|---|--|
| Assets | | |
| Current assets | 1,500,281 | 2,329,873 |
| Cash and deposits | 1,318,873 | 1,897,300 |
| Cash and deposits in trust | 108,051 | 142,524 |
| Operating accounts receivable | – | 16 |
| Prepaid expenses | 73,355 | 110,615 |
| Consumption taxes receivable | – | 179,416 |
| Non-current assets | 42,817,455 | 65,958,581 |
| Property, plant and equipment | 42,714,752 | 65,729,194 |
| Buildings in trust | 21,584,524 | 29,538,375 |
| Structures in trust | 70,970 | 76,701 |
| Machine and device in trust | 11,446 | 10,773 |
| Tools, furniture and fixtures in trust | 34,046 | 58,393 |
| Land in trust | 21,009,170 | 36,044,949 |
| Construction in progress in trust | 4,594 | – |
| Intangible assets | 3,465 | 40,596 |
| Investments and other assets | 99,237 | 188,790 |
| Deferred assets | 9,964 | 37,103 |
| Total assets | 44,327,701 | 68,325,557 |
| Liabilities | | |
| Current liabilities | 9,942,694 | 8,290,182 |
| Operating accounts payable | 40,868 | 11,716 |
| Short-term loans payable ^(Note 1) | 9,450,000 | 7,700,000 |
| Accounts payable - other | 88,452 | 73,843 |
| Accrued expenses | 145,439 | 174,390 |
| Income taxes payable | 950 | 967 |
| Accrued consumption taxes | 5,243 | – |
| Advances received | 211,457 | 329,191 |
| Deposits received | 283 | 72 |
| Non-current liabilities | 14,070,373 | 26,609,080 |
| Long-term loans payable | 13,000,000 | 24,750,000 |
| Tenant leasehold and security deposits | 1,009,999 | 1,734,009 |
| Tenant leasehold and security deposits in trust | 34,604 | 86,766 |
| Derivatives liabilities | 25,769 | 37,784 |
| Other | – | 520 |
| Total liabilities | 24,013,068 | 34,899,262 |
| Net assets | | |
| Unitholders' equity | 20,340,403 | 33,464,079 |
| Unitholders' capital | 19,800,696 | 32,392,149 |
| Surplus | 539,706 | 1,071,929 |
| Valuation and translation adjustments (Deferred gains and losses on hedges) | -25,769 | -37,784 |
| Total net assets | 20,314,633 | 33,426,294 |
| Total liabilities and net assets | 44,327,701 | 68,325,557 |

Statement of Income

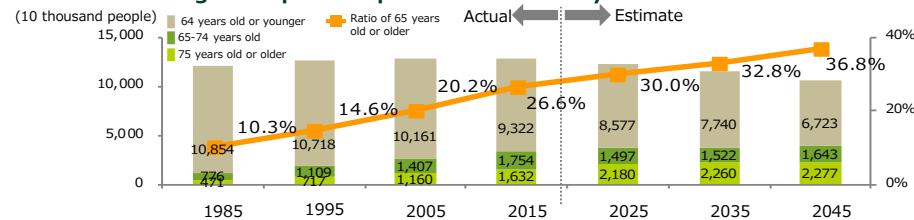
(Unit: thousand yen)

| | 8th Fiscal Period (Ended January 2019) | 9th Fiscal Period (Ended July 2019) |
|---|---|--|
| Operating revenue | 1,301,210 | 2,008,674 |
| Lease business revenue | 1,294,178 | 2,000,800 |
| Other lease business revenue | 7,031 | 7,874 |
| Operating expenses | 654,208 | 818,931 |
| Expenses related to rent business | 448,967 | 586,721 |
| Asset management fee | 122,274 | 144,071 |
| Asset custody fee | 2,164 | 3,207 |
| Administrative service fees | 15,482 | 19,416 |
| Directors' compensations | 3,000 | 3,000 |
| Property tax | 16,886 | 17,685 |
| Other operating expenses | 45,433 | 44,829 |
| Operating income | 647,002 | 1,189,743 |
| Non-operating income | 537 | 16,614 |
| Reversal of distribution payable | 533 | 1,608 |
| Interest income | 3 | 5 |
| Insurance income | – | 15,000 |
| Non-operating expenses | 106,914 | 159,310 |
| Interest expenses | 65,046 | 90,543 |
| Investment unit issuance expenses | 4,982 | 11,406 |
| Borrowing expenses | 36,885 | 57,359 |
| Ordinary income | 540,625 | 1,047,048 |
| Income before income taxes | 540,625 | 1,047,048 |
| Total income taxes | 946 | 968 |
| Income taxes - current | 950 | 968 |
| Income taxes - deferred | -4 | -0 |
| Net income | 539,678 | 1,046,080 |
| Retained earnings brought forward | 27 | 25,848 |
| Unappropriated retained earnings (undisposed loss) | 539,706 | 1,071,929 |

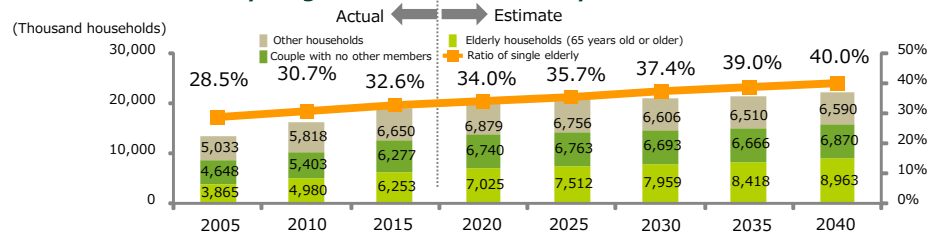
(Note 1): Figures include current portion of long-term loans payable.

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

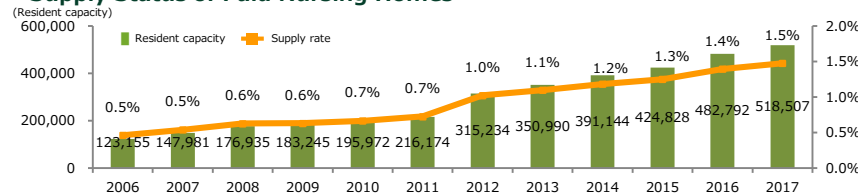


(Source) "Projection of the Number of Households for Japan (Nationwide Projection)" (Projection for January 2013) and (Projection for 2018) by the National Institute of Population and Social Security Research

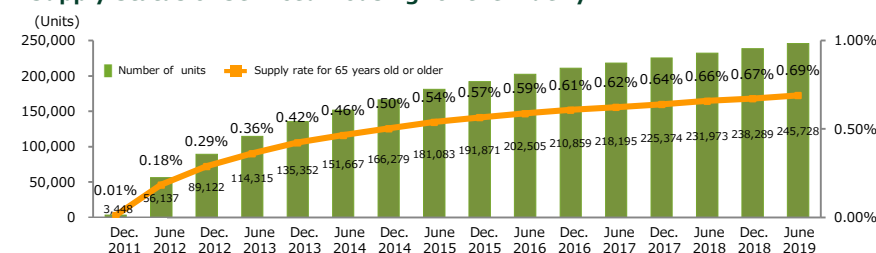
Promotion of Further Supply of Healthcare Facilities

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 1.5% in 2017, 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

June 2014

Guidelines Concerning Utilizing Healthcare REITs Targeting Housing for the Elderly, etc.

June 2015

Guidelines Concerning REITs Targeting Hospital Real Estate

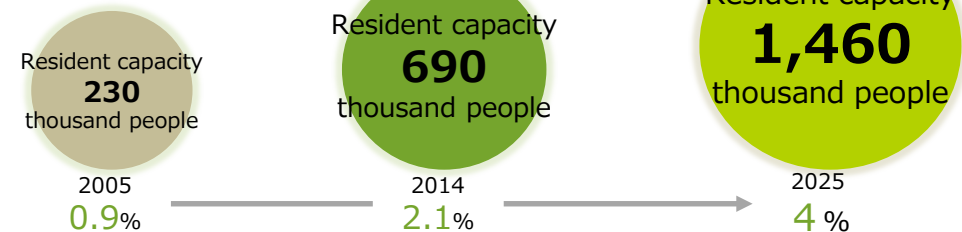
March 2016

Housing Life Basic Plan (nationwide plan)

Following the Guidelines Concerning Utilizing Healthcare REITs Targeting Housing for the Elderly, etc. announced in June 2014, Guidelines Concerning REITs Targeting Hospital Real Estate was announced in June 2015.

With an aim to realize home life that enables the elderly to live independently, a target to raise the ratio of housing for the elderly as a percentage of the elderly population from 2.1% in 2014 to 4% by 2025 was set.

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



Outcome indicator

Resident capacity
1,460
thousand people

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 74.5%. (Ministry of Health, Labour and Welfare's 2018 "Survey on Seismic Retrofit of Hospitals")

<"Act for Partial Revision of the Act on Promotion of Seismic Retrofitting of Buildings" was enforced in November 2013>

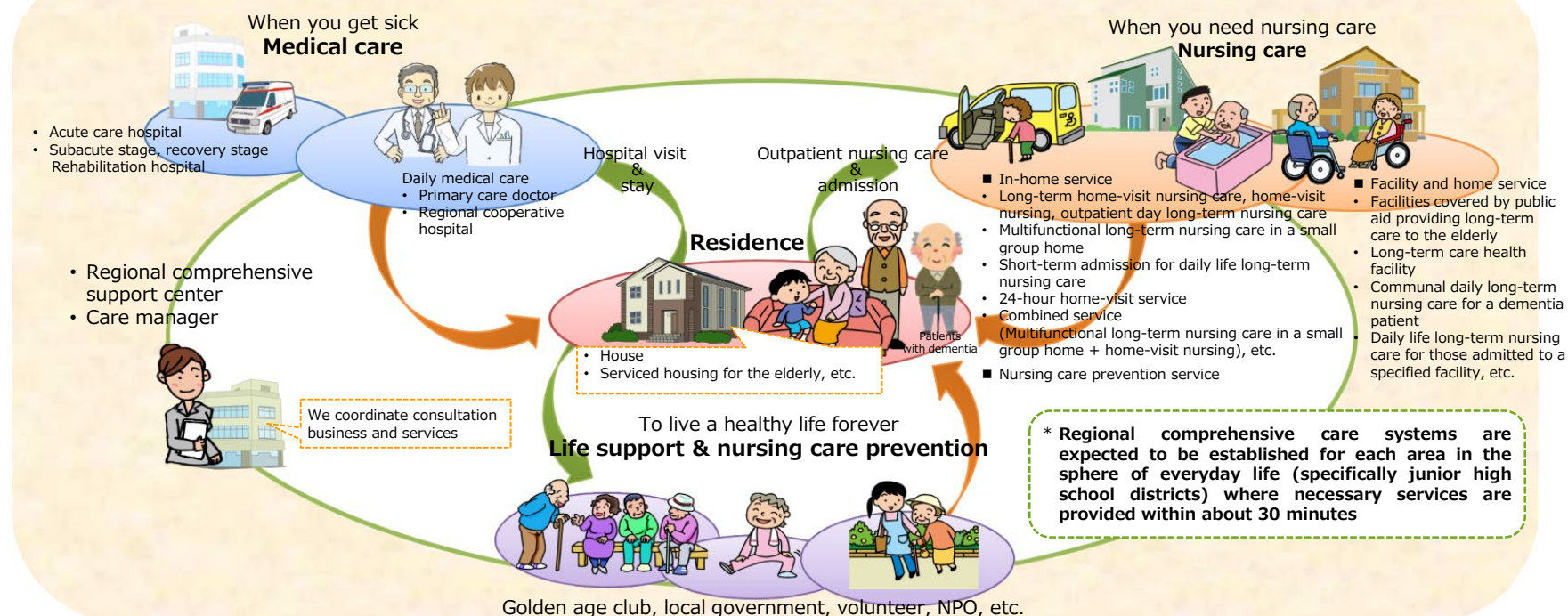
(Hospital: Having more than 3 floors above ground and a total floor area of 5,000 m² or more)

Seismic diagnosis and reporting of the results which were required as only best endeavors have become compulsory, and thus investment such as reconstruction is urgent

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.**

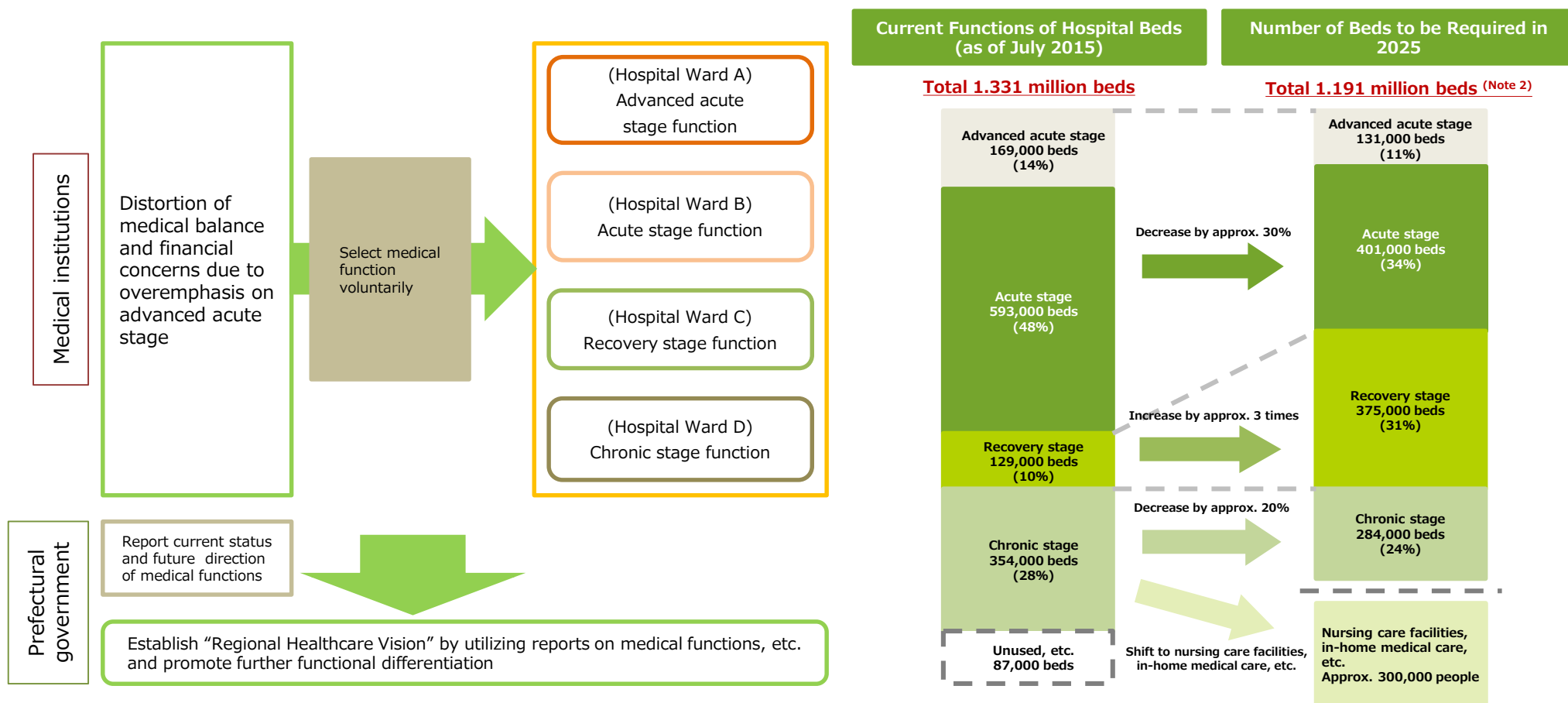
Image of Regional Comprehensive Care System



About 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.



(Note 2): Total of Cabinet Secretariat's estimates (June 2015). Within the range of 1.148 million beds to 1.191 million beds.

(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

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

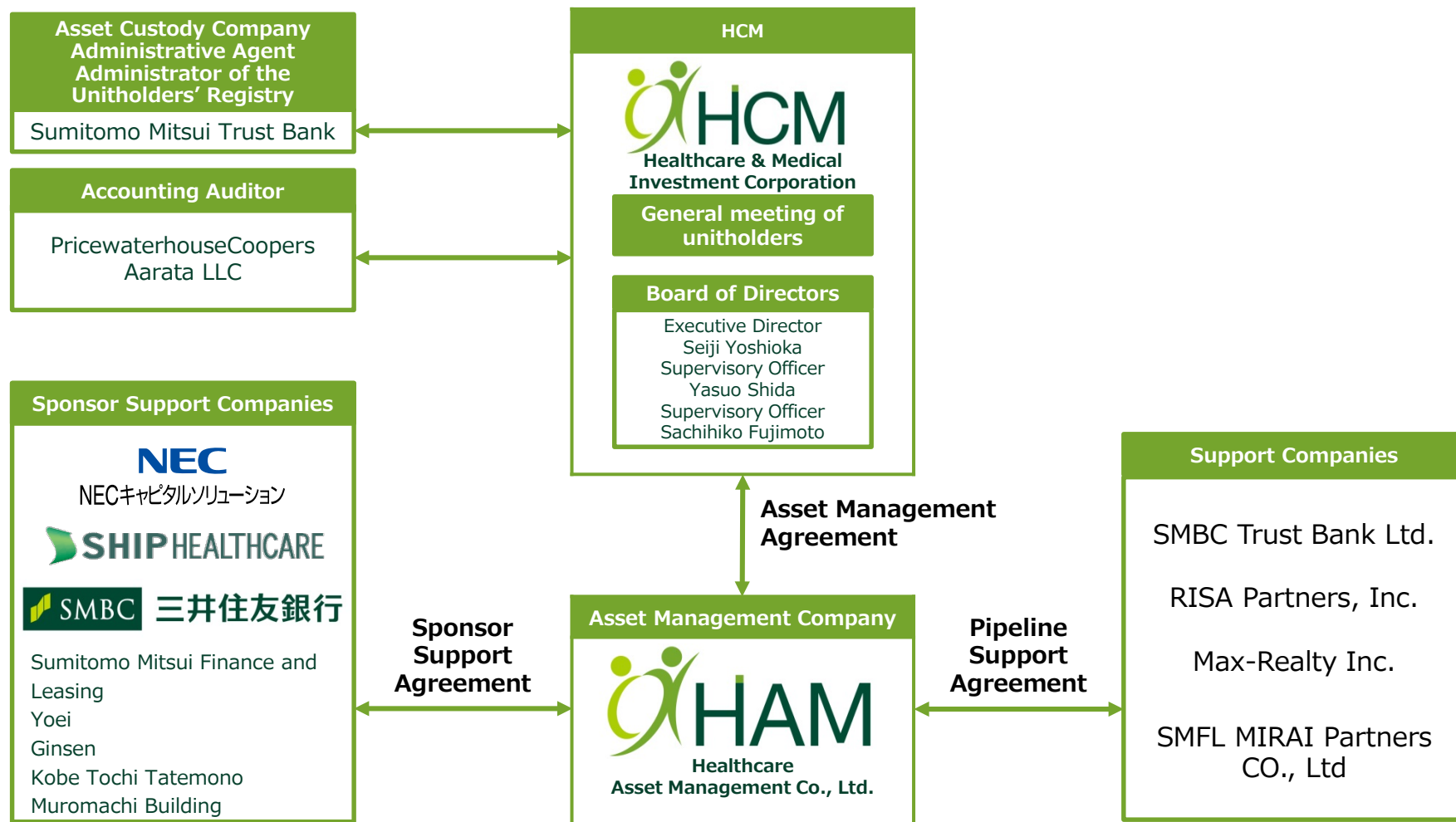
- Increase in demand due to further advancement of aging society
- Upgrading and expansion of healthcare facilities backed by government policy

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

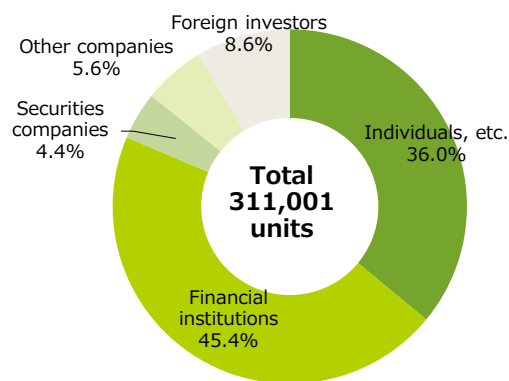
Stable cash flow in the long term

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



Status of Unitholders

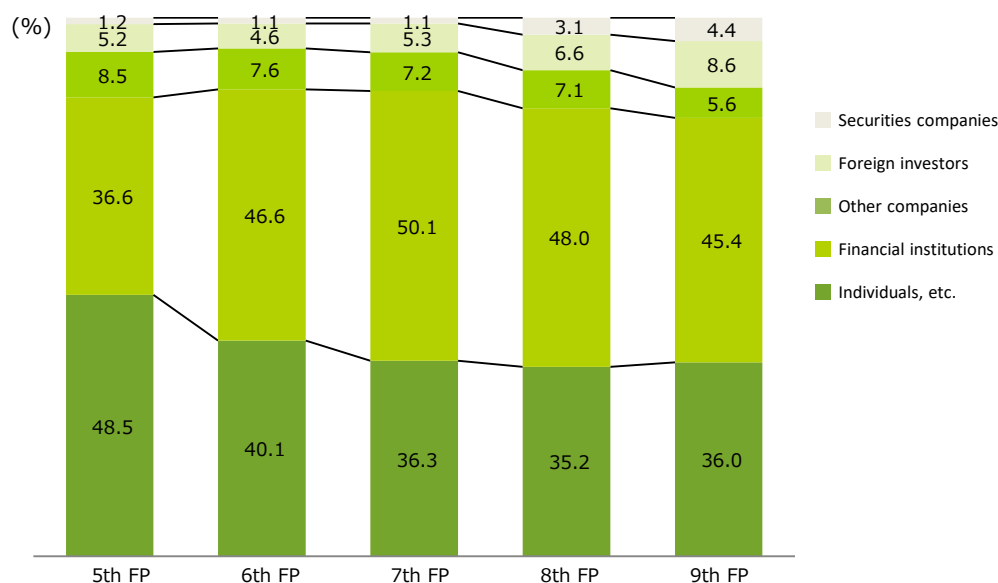
Ratio of Number of Investment Units by Unitholder Type



Ratio of Number of Unitholders by Unitholder Type









Changes in Ratio of Number of Investment Units by Unitholder Type (most recent 5 fiscal periods)



List of Top Unitholders

| Ranking | Name | Number of investment units owned (units) | Ownership ratio (%) |
|---------|--|--|---------------------|
| 1 | Japan Trustee Services Bank Ltd. (Trust Account) | 65,225 | 21.0 |
| 2 | The Master Trust Bank of Japan, Ltd. (Trust Account) | 34,281 | 11.0 |
| 3 | The Nomura Trust and Banking Co., Ltd. (Investment Trust Account) | 11,355 | 3.7 |
| 4 | Trust & Custody Services Bank Ltd. (Securities Investment Trust Account) | 10,569 | 3.4 |
| 5 | Morgan Stanley MUFG Securities Co., Ltd. | 5,312 | 1.7 |
| 6 | NORTHERN TRUST CO.(AVFC) RE FIDELITY FUNDS | 5,264 | 1.7 |
| 7 | JPMorgan Securities Japan Co., Ltd. | 4,842 | 1.6 |
| 8 | NEC Capital Solutions Limited | 4,000 | 1.3 |
| | SHIP HEALTHCARE HOLDINGS INC. | 4,000 | 1.3 |
| | Sumitomo Mitsui Banking Corporation | 4,000 | 1.3 |
| Total | | 148,848 | 47.9 |

Overview of Unitholder Special Benefit Plan

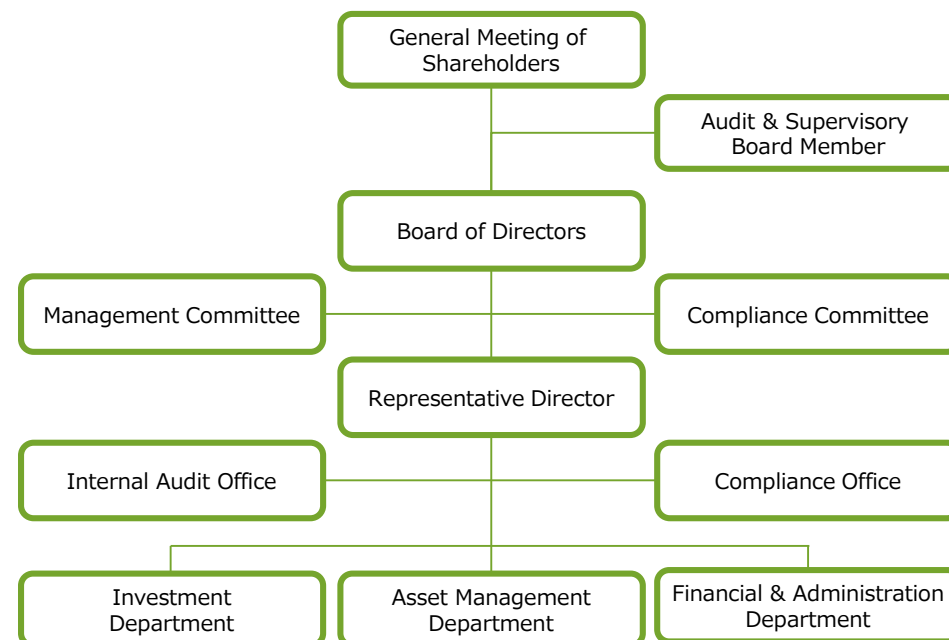
| Company Name | | Details of Special Benefits |
|---|--|--|
| Benesse Senior Support Co., Ltd. | 株式会社 ベネッセシニアサポート (Benesse's consultation room for nursing care) | <ul style="list-style-type: none"> Free consultation on nursing care |
| Sompo Care Inc. |  Innovation for Wellbeing SOMPOケア | <ul style="list-style-type: none"> Discount advance payment or monthly fee |
| JAPAN LIFE DESIGN Inc. |  Japan Life Design —— 輝ける最良の人生の為に —— | <ul style="list-style-type: none"> Free trial move-in (two-days and one-night with meals) Discount initial fees |
| GREEN LIFE HIGASHI NIHON Co., Ltd. GREENLIFE Co., Ltd. |  GREEN LIFE | <ul style="list-style-type: none"> Free trial move-in (two-days and one-night with meals) Tour with free lunch |
| Sawayaka Club Co., Ltd. |  さわやか倶楽部 SAWA YAKA CLUB | <ul style="list-style-type: none"> Discount monthly fee for initial month Free trial move-in (two-days and one-night with meals) Tour with free lunch |
| AS PARTNERS Co., Ltd. | 暮らしを、共に。 as partners  | <ul style="list-style-type: none"> Discount initial fees Discount monthly fee Free trial move-in (four-days and three-nights) Tour with free lunch |
| Proud Life Inc. |  プラウドライフ | <ul style="list-style-type: none"> Discount deposit or initial fees |

(Note 1): Details of special benefits are for people who are unitholders as of the end of 9th fiscal period and are subject to change.

Profile of the Company

| | | |
|-------------------------------------|--|-------|
| Trade name | Healthcare Asset Management Co., Ltd. | |
| Location | 3-3 Kanda-Ogawamachi, Chiyoda-ku, Tokyo | |
| Founded | November 28, 2013 | |
| Capital stock | 150 million yen | |
| President and Representative | Seiji Yoshioka | |
| Shareholders | 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 | 4.6% |
| | Ginsen | 4.6% |
| | Kobe Tochi Tatemono | 4.6% |
| Registration, license, etc. | 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





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 is 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 SMBC Group, 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 and CEO: Kunihisa Furukawa President and COO: Hirotaka Ogawa |
| Founded | August 1992 |
| Capital stock | 15,553.01 million yen |
| Sales | 444.0 billion yen on a consolidated basis (fiscal period ended March 2019) |

NEC Capital Solutions Limited

| | |
|-----------------------|---|
| Headquarters location | 2-15-3 Konan, Minato-ku, Tokyo |
| Representative | President: Tomoo Imazeki |
| Founded | November 1978 |
| Capital stock | 3,776.88 million yen |
| Sales | 204.1 billion yen on a consolidated basis (fiscal period ended March 2019) |

Sumitomo Mitsui Banking Corporation

| | |
|-----------------------|-------------------------------------|
| Headquarters location | 1-1-2 Marunouchi, Chiyoda-ku, Tokyo |
| Representative | President and CEO: Makoto Takashima |
| Capital stock | 1,770.9 billion 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 13, 2019) 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.

The opinions, outlooks and estimates contained in this material reflect our view and judgment based on information as of the date when this material is prepared and involve risks and uncertainties.

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