

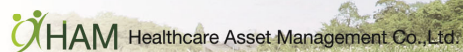


# Financial Results Briefing materials

Financial Period Ended July 2023  
(17th Fiscal Period)

September 15, 2023

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.

## 17th Fiscal Period Executive Summary

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## Performance

- Operating revenue :2,438 million yen (+0 million yen from forecast,  $\Delta$ 193 million yen from previous fiscal period)
- Net income :1,068 million yen (+5 million yen from forecast,  $\Delta$ 210 million yen from previous fiscal period)
- DPU :3,282 yen (+17 yen (+0.5%) from forecast,  $\Delta$ 275 yen ( $\Delta$ 7.7%) from previous fiscal period)
- NAV per unit :132,912 yen (+1,879 yen (+1.4%) from previous fiscal period )

## Financial Status

- Interest-bearing liabilities is 39.15 billion yen ( $\pm$ 0 million yen from previous fiscal period) and LTV is 48.5% (+0.3pt from previous fiscal period).
- Continued the existing basic policy of long term, fixed interest rate and diversification of repayment due dates.
- Long-term issuer ratings (JCR) is A+ (Stable).

## Portfolio

- Asset size is 48 properties/79.2 billion yen, No new assets acquired/disposed.
- With the rise of appraisal value, the unrealized gains increased to 10.3 billion yen, and the unrealized gains ratio expanded to 13.2%.
- The operational rate maintained 100%. No lease termination, rent reduction/exemption, deferral of rent payment.

# Financial Summary



# 1. Major Indexes for 17th Fiscal Period

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

## Asset (Assets)

Number of properties	48 properties (±0 properties)
Total acquisition price	79.2 billion yen (±0 billion yen)
Total appraisal value	88.7 billion yen (+0.5 billion yen)
Unrealized gain	10.3 billion yen (+0.9 billion yen)
Average appraisal NOI yield	5.5% (±0pt)
Portfolio operational rate	100.0% (±0pt)
Ratio of fixed rents	100.0% (±0pt)
Ratio of investment in three major metropolitan areas	82.9% (±0pt)
Average remaining lease term	12.0 years (△0.5 years)

## Debt (Liabilities)

Total amount of interest-bearing liabilities	39.15 billion yen (±0 billion yen)
Average remaining terms to maturity	2.8 years (△0.5 years)
Average borrowing interest rate	0.70% (±0pt)
Ratio of long-term debt	76.4% (±0pt)
Ratio of debt with fixed interest rates	94.9% (±0pt)
LTV	48.5% (+0.3pt)
Long-Term Issuer Rating (JCR)	A+ (Stable)

## Equity (Net assets)

Market cap	55.0 billion yen (△3.1 billion yen)
DPU	3,282 yen (△275 yen)
Distribution in excess of earnings <sup>(Note)</sup> (Equivalent to return of capital)	311 yen (+311 yen)
NAV per unit	132,912 yen (+1,879 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 17th Fiscal Period

Decrease in revenue and income compared with previous fiscal period mainly due to the absence of gain on asset replacement. However, net income increased by 5million yen compared with forecast due to reductions in general and administrative expenses, etc.

(Unit: million yen)

	16th fiscal period (Ended January 2023)	17th Fiscal Period (Ended July 2023)				
	Actual	Forecast (Note 2)	Actual	Comparison with 16th Fiscal Period		Comparison with Forecast
	(A)	(B)	(C)	(C)-(A)	$\frac{(C)-(A)}{(A)}$ (%)	(C)-(B)
Operating revenue	2,632	2,438	<b>2,438</b>	△193	△7.4%	+0
Operating expenses	1,178	1,173	<b>1,170</b>	△8	△0.7%	△3
Expenses related to leasing business	801	822	<b>820</b>	+18	2.3%	△1
(Depreciation)	563	559	<b>560</b>	△3	△0.6%	+0
General and administrative expenses	376	351	<b>349</b>	△26	△7.1%	△1
Operating income	1,453	1,264	<b>1,268</b>	△185	△12.8%	+3
Non-operating income	1	—	<b>2</b>	+1	106.7%	+2
Non-operating expenses	176	201	<b>202</b>	+26	14.9%	+0
Ordinary income	1,279	1,063	<b>1,068</b>	△210	△16.4%	+5
Net income	1,278	1,062	<b>1,068</b>	△210	△16.5%	+5
DPU (yen)	3,557	3,265	<b>3,282</b>	△275	△7.7%	+17
Distribution of earnings	3,557	2,954	<b>2,828</b>	△586	△16.5%	+17
Distribution of allowance for temporary difference adjustments	0		<b>143</b>			
Distribution in excess of earnings (return of capital) (Note 1)	0	311	<b>311</b>	+311		±0

### 17th Fiscal Period Actual Results (Comparison with 16th Fiscal Period)

#### Difference in operating revenue (△193)

- Full-period contribution of rent revenue from properties acquired in the 16th fiscal period (+11)
- Reduction of gain on asset replacement(△204)

#### Difference in operating expenses (△8)

- Increase in expenses related to leasing business (+18)
  - Property taxes (+26)
  - Repair expenses (△5)
  - Depreciation (△3)
- Decrease in general and administrative expenses (△26)
  - Asset management fee (△13)
  - Administrative service fees (△8)
  - Cost related to Investors meeting (△ 6)

#### Difference in Non-operating expenses (+26)

- Increase in interest expenses (+27)

### 17th Fiscal Period Actual Results (Comparison with Forecast)

#### Difference in operating expenses (△3)

- Decrease in expenses related to leasing business (△1)
  - Repair expenses (△2)
- Decrease in general and administrative expenses (△ 1)
  - Advertisement expenses (△1)
  - Professional fees (△1)
  - Consumption tax(+1)

#### Difference in Non-operating income (+2)

- Insurance income (+2)

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

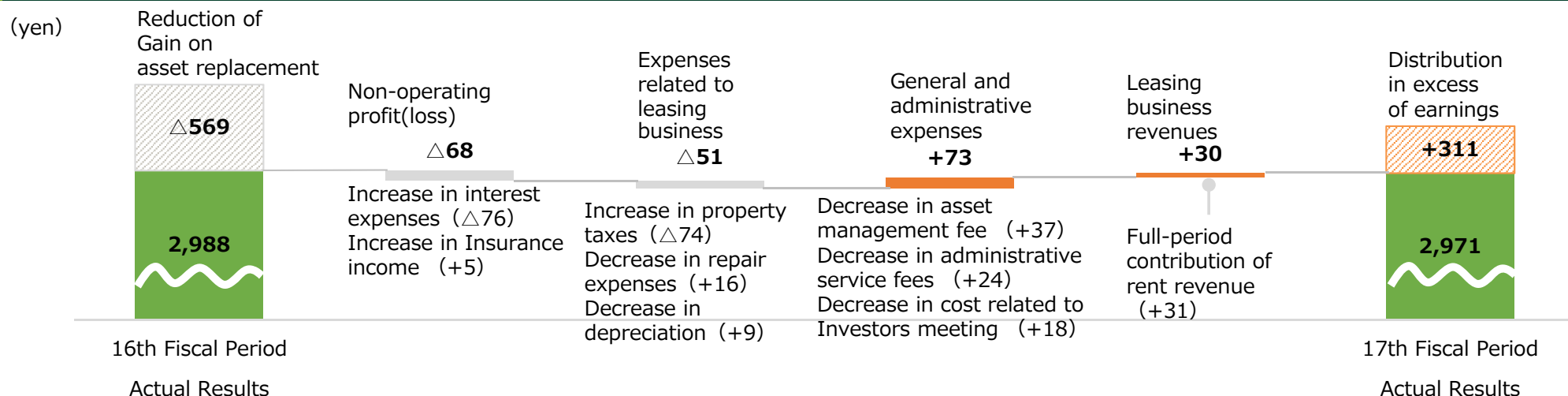
(Note 2) The forecast for the 17th Fiscal Period (B) is the forecast figure announced in “(REIT) Financial Report for Fiscal Period Ended January 2023” dated March 23, 2023.



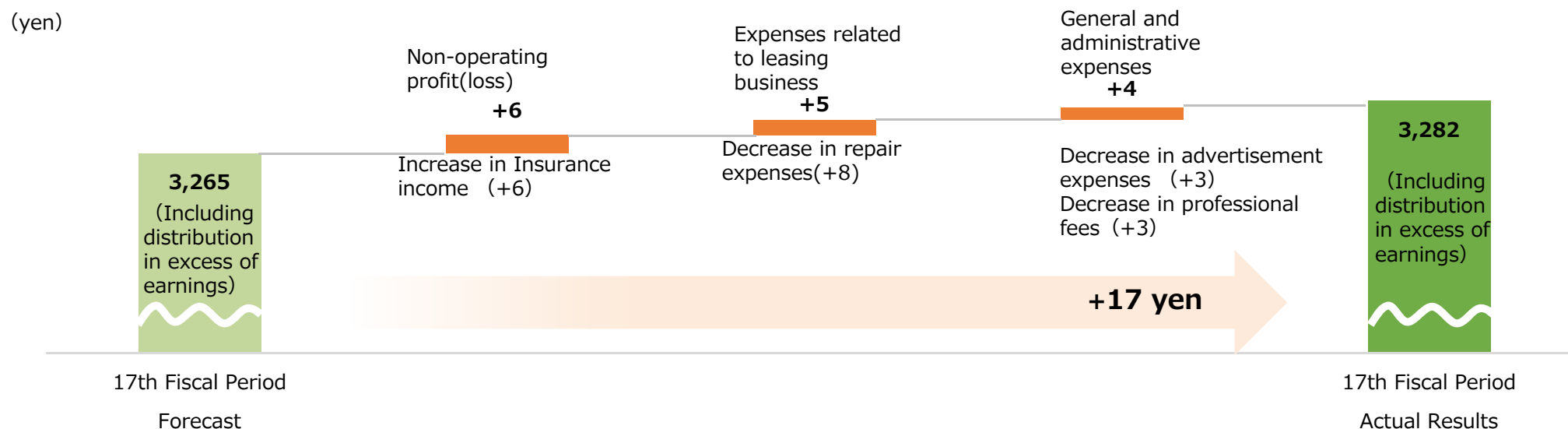
### 3. Factors for Increase/Decrease in Distributions for 17th Fiscal Period

The main reasons for the decrease in distributions compared with the previous period were increases in property taxes and interest expenses, in addition to the absence of gain on asset replacement.

#### Factors for Increase/Decrease in Distributions for 17th Fiscal Period (Comparison with 16th Fiscal Period)



#### Factors for Increase/Decrease in Distributions for 17th Fiscal Period (Comparison with Forecast)



(Note) Listed only major difference factors.

## 4. Earnings Forecasts for 18th Fiscal Period and 19th Fiscal Period

Operating revenue is expected to remain flat in the 18th and 19th fiscal period. On the other hand, net income is expected to decrease slightly, due to increase in depreciation as well as interest expenses as a result of rising interest rates.

(Unit: million yen)

	17th Fiscal Period (ending July 2023)	18th Fiscal Period (ending January 2024)			19th Fiscal Period (ending July 2024)	
	Actual	Initial forecast (Note 2)	Forecast (Note 3)	Comparison with 17th fiscal period	Forecast (Note 3)	Comparison with 17th fiscal period forecast
	(A)	(B)	(C)	(C)-(A)	(D)	(D)-(C)
Operating revenue	2,438	2,438	<b>2,438</b>	△0	<b>2,438</b>	±0
Operating expenses	1,170	1,183	<b>1,183</b>	+13	<b>1,184</b>	+1
Expenses related to leasing business	820	829	<b>829</b>	+9	<b>832</b>	+3
(Depreciation)	560	566	<b>566</b>	+5	<b>568</b>	+2
General and administrative expenses	349	353	<b>353</b>	+3	<b>351</b>	△1
Operating income	1,268	1,254	<b>1,255</b>	△13	<b>1,253</b>	△1
Non-operating income	2	—	—	△2	—	±0
Non-operating expenses	202	203	<b>204</b>	+1	<b>216</b>	+11
Ordinary income	1,068	1,051	<b>1,051</b>	△17	<b>1,037</b>	△13
Net income	1,068	1,050	<b>1,050</b>	△17	<b>1,036</b>	△13
DPU (yen)	3,282	3,235	<b>3,235</b>	△47	<b>3,200</b>	△35
DPU (Excluding distribution in excess of earnings (return of capital))(Note 1))	2,971	2,920	<b>2,920</b>	△51	<b>2,884</b>	△36
Distribution in excess of earnings (return of capital) (Note 1)	311	315	<b>315</b>	+4	<b>316</b>	+1

### 18th Fiscal Period Forecast (Comparison with 17th Fiscal Period Results)

#### Difference in operating expenses (+13)

- Increase in expenses related to leasing business (+9)
  - Depreciation (+5)
  - Repair expenses (+3)
- Increase in general and administrative expenses (+3)
  - Survey fee (+2)
  - Asset management fee (+1)
  - Professional fees (+1)

#### Difference in Non-operating income (△2)

- Insurance income (△2)

#### Difference in Non-operating expenses (+1)

- Increase in interest expenses (+2)

### 19th Fiscal Period Forecast (Comparison with 18th Fiscal Period Forecast)

#### Difference in operating expenses (+1)

- Increase in expenses related to leasing business (+3)
  - Depreciation (+2)
- Decrease in general and administrative expenses (△1)
  - Asset management fee (△2)

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

- Increase in interest expenses (+12)

(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 18th Fiscal Period (B) is the forecast figure announced in “(REIT) Financial Report for Fiscal Period Ended January 2023” dated March 17, 2023.

(Note 3) The forecast for the 18th Fiscal Period (C) and The forecast for the 19th Fiscal Period (D) are the forecast figure announced in “(REIT) Financial Report for Fiscal Period Ended July 2023” dated September 15, 2023.



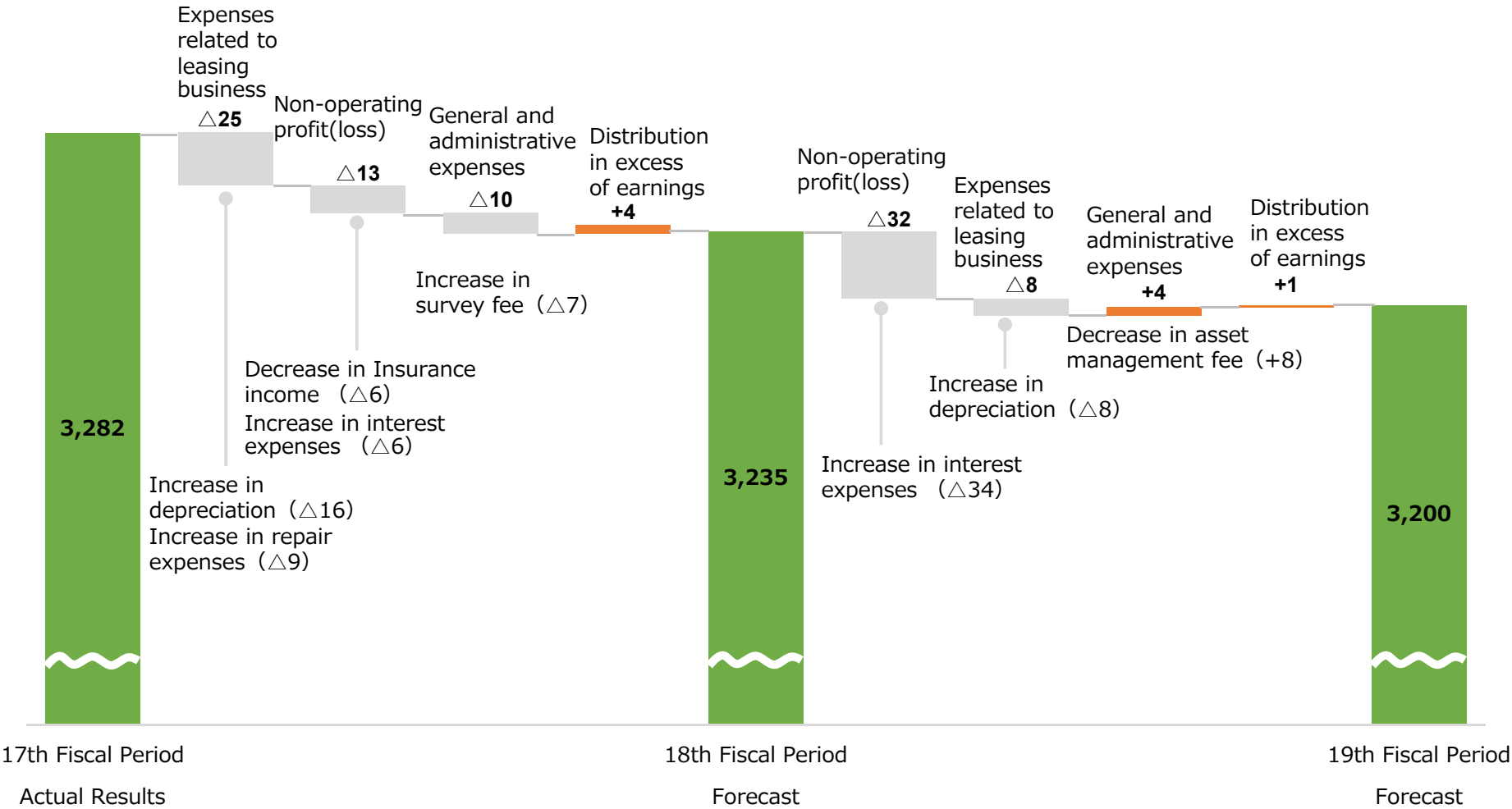
I Financial Summary  
**5. Factors for Increase/Decrease in Distributions Forecast for 18th and 19th Fiscal Period**

**Aim to raise distributions by increasing operating revenues, flexible financing in line with the interest rate environment, reviewing various expenses, etc.**

**Factors for Increase/Decrease in Distributions Forecast for 18th (Comparison with 17th Fiscal Period Results)**

**Factors for Increase/Decrease in Distributions Forecast for 19th (Comparison with 18th Fiscal Period Forecast)**

(yen)



(Note) Listed only major difference factors.

## 6. Changes in DPU/NAV Per Unit

Planning to enhance unitholder value through stable growth in distributions over the medium to long term and increase in NAV. NAV per unit increased to 132,912 yen at the end of the 17th fiscal period.

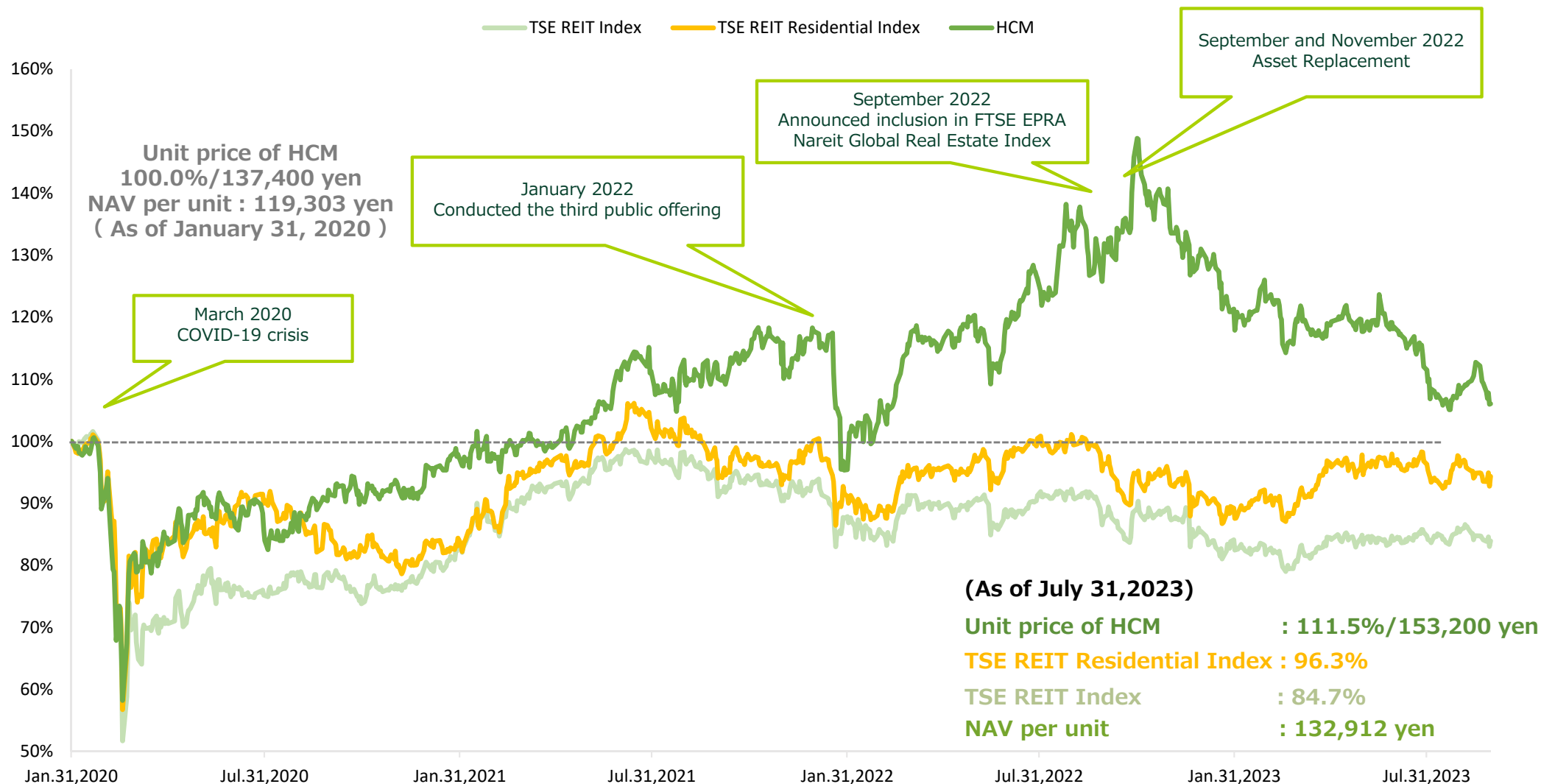
### DPU/NAV Per Unit



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

## 7. Changes in Unit Price

Generally outperformed the respective index in the volatile REIT market during the COVID-19 pandemic. Unit price remained above NAV per unit



(Note) It is indicated as a percentage with January 31, 2020, as the base date.

# Status of Asset Management

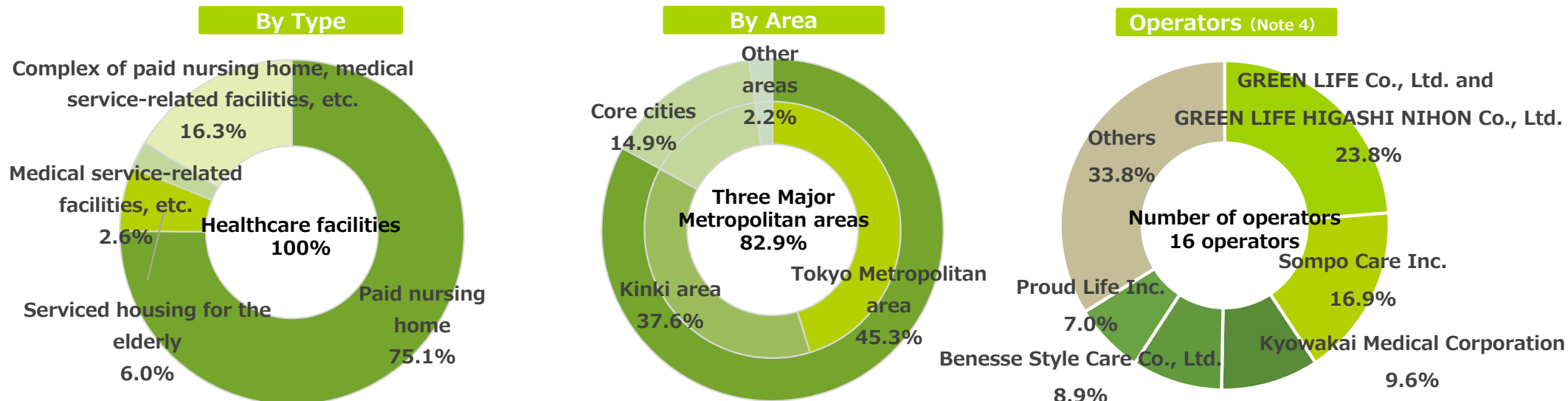


# 1. Portfolio Highlights

## Key Data

<b>Number of properties</b> <b>48</b> (±0 properties)	<b>Total acquisition price</b> <b>79.2 billion yen</b> (±0 billion yen)	<b>Total appraisal value (Note 1)</b> <b>88.7 billion yen</b> (+0.5 billion yen)	<b>Average appraisal NOI yield</b> <b>5.5%</b> (±0pt)
<b>Average building age (Note 1)</b> <b>17.6 years</b> (+0.5 years)	<b>Average remaining lease term (Note 1)</b> <b>12.0 years</b> (△0.5 years)	<b>Ratio of fixed rents</b> <b>100.0%</b> (±0pt)	<b>Portfolio operational rate</b> <b>100.0%</b> (±0pt)

## Diversification Status (Note 3)



(Note 1) "Total appraisal value" is indicated based on the appraisal report with July 31, 2023, as the appraisal date. "Average building age" and "Average remaining lease term" are average values with July 31, 2023, 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 16th 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. Continuing Appraisal

### Summary of Continuing Appraisal

	16th Fiscal Period	17th Fiscal Period	PoP change
Number of Properties	48 properties	48 properties	±0 properties
Appraisal Value	88,206 million yen	88,769 million yen	+563 million yen
Average Capitalization Rate (Note 1)	4.80%	4.77%	△0.03pt

### Changes per property (Comparison with previous Fiscal Period)

#### Appraisal Value

( Number of Properties)

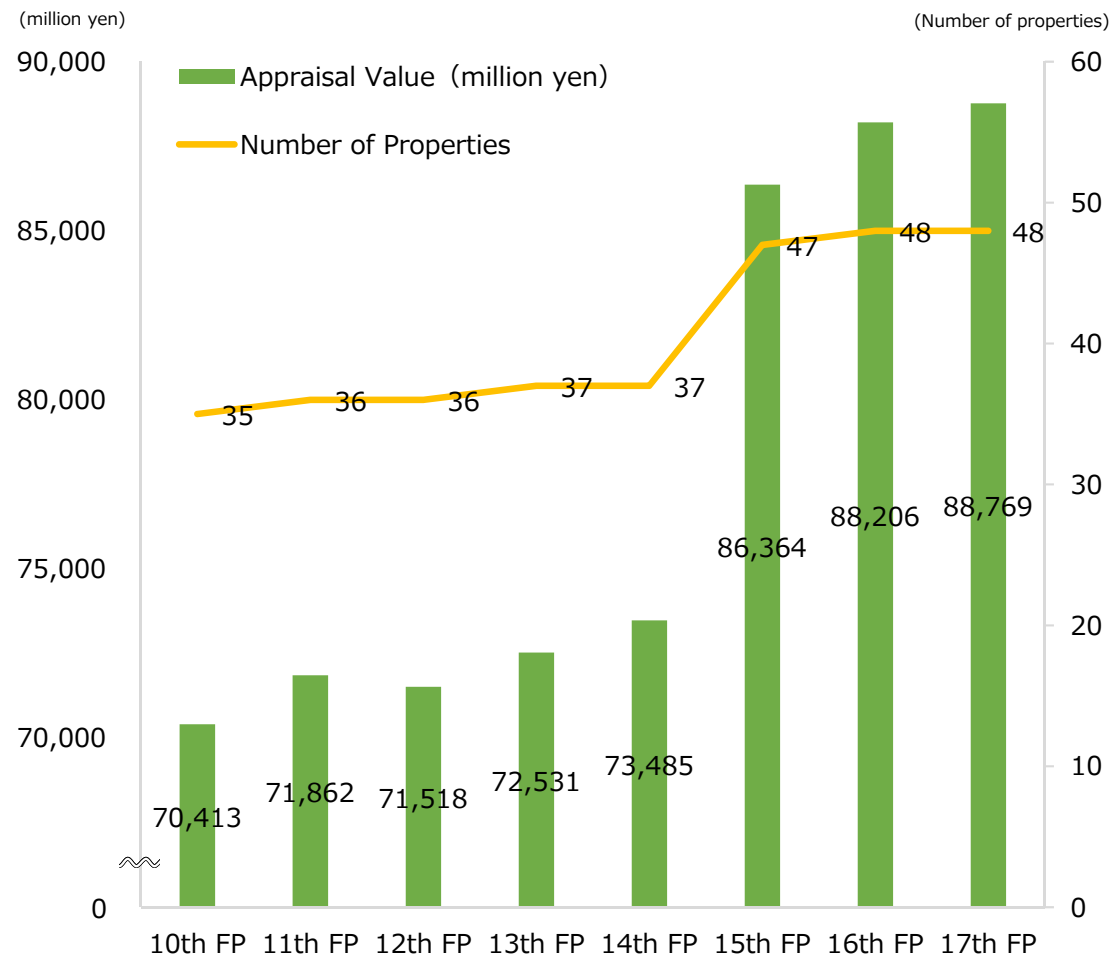
#### Capitalization Rate (Note 2)

( Number of Properties)

	16th Fiscal Period	17th Fiscal Period		16th Fiscal Period	17th Fiscal Period
Increase	28	16	Decrease	26	15
Same	19	28	Same	22	33
Decrease	1	4	Increase	0	0

(Note 1) The figure is the weighted average of the direct capitalization method capitalization rate for each property weighted by the appraisal value.

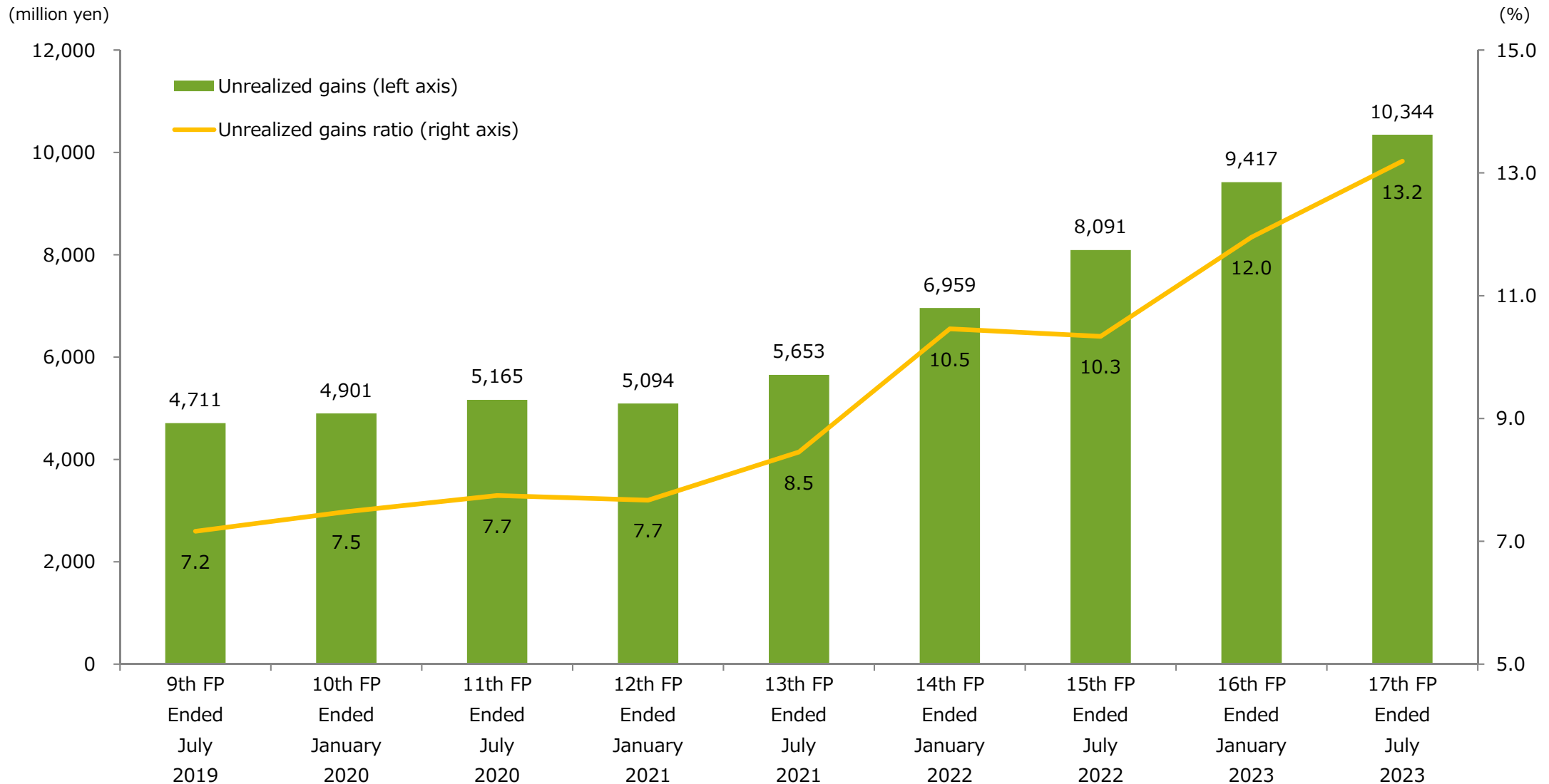
(Note 2) Direct capitalization method cap rate is shown.





## 3. Changes in Unrealized Gains

Unrealized gains have been increasing steadily, with the rise of appraisal value

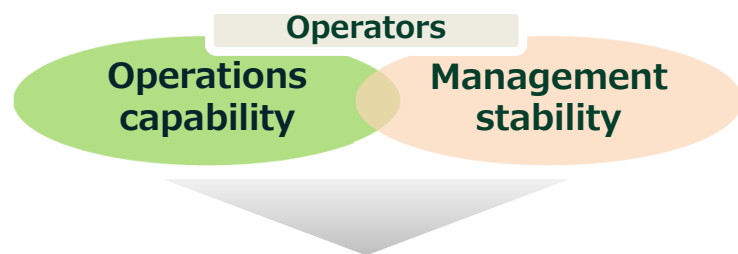


## 4. Stable Cash Flow in the Long Term①

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

**HAM has established the Healthcare Business Promotion Department in-house** (Note)

Responsible for business evaluation of healthcare facilities and operators, as well as survey and analysis of the healthcare industry.

(Note) The head of Healthcare Business Promotion Department is an "expert who fully understands the business characteristics of healthcare facilities" defined by the Ministry of Land, Infrastructure, Transport and Tourism in the guidelines.

### Carefully Selected Operators

- 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 6 hospitals (2,108 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.	4,762 people (ranked 25th in Japan) (Note 3)	23.8
GREEN LIFE HIGASHI NIHON Co., Ltd.		
Sompo Care Inc.	29,454 people (ranked 1st in Japan)	16.9
Kyowakai Medical Corporation	-	9.6
Benesse Style Care Co., Ltd.	20,318 people (ranked 2nd in Japan)	8.9

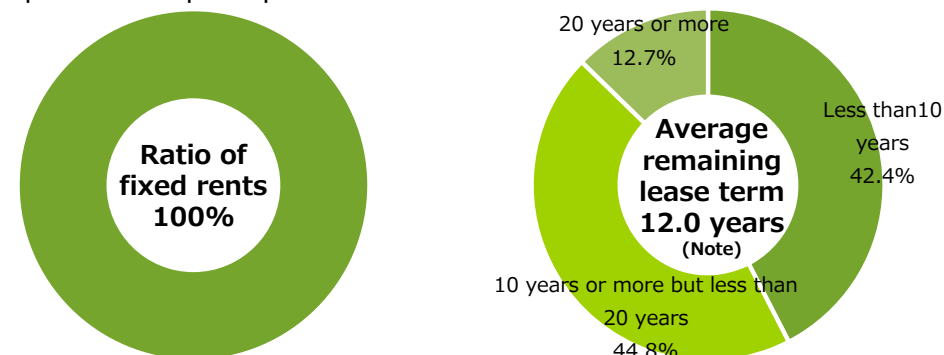
(Note 1) The operators of SHIP Senri Building are separated based on an area basis, with Kyowakai Medical Corporation for the Senri-Chuo Hospital portion and GREEN LIFE for the other portions.

(Note 2) (From) Weekly Senior Housing Newspaper, August 23・30, 2023 issue (No. 726)

(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.
- No direct impact from rising utility costs, as these costs are borne by operators in principle.

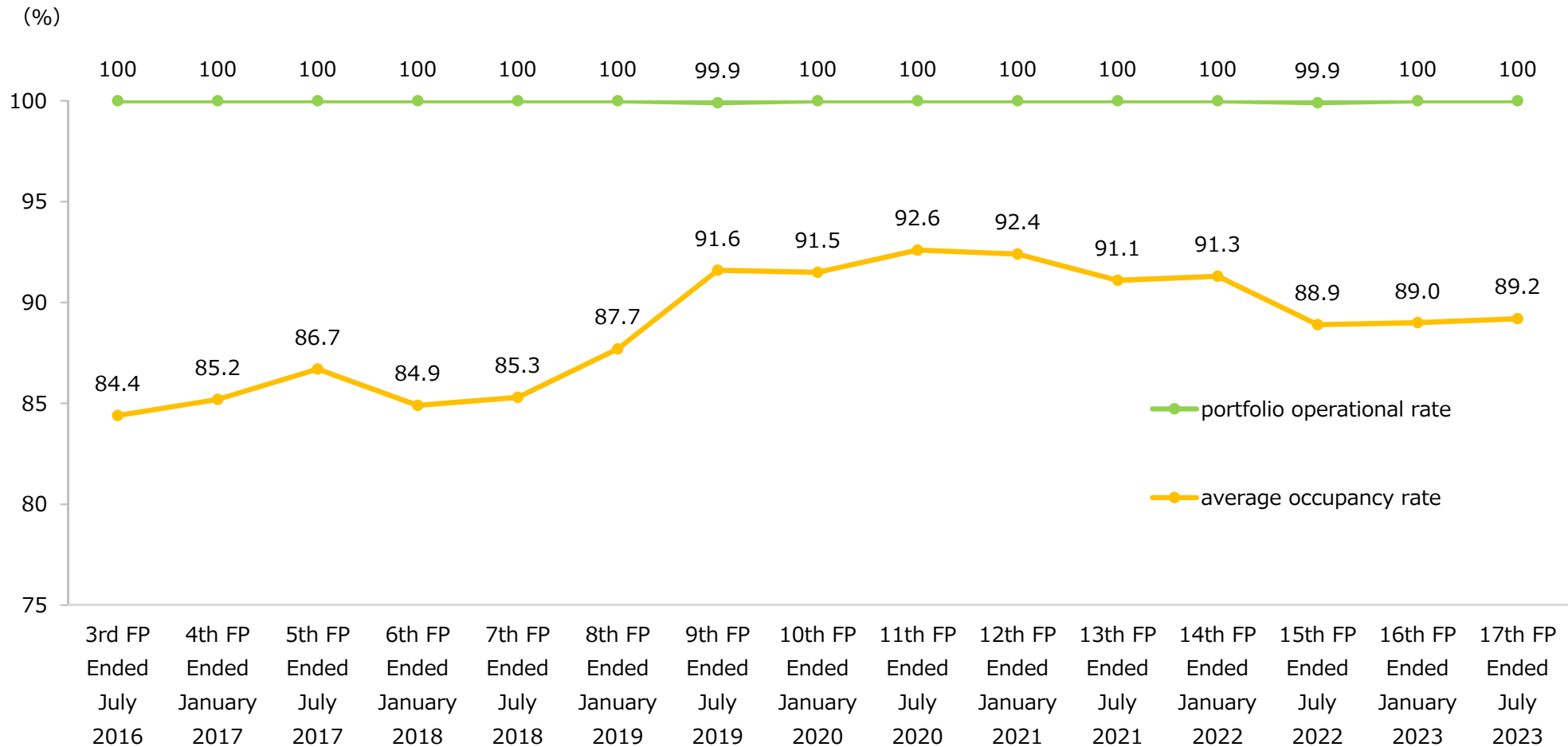


(Note) The figure is based on July 31, 2023, as reference date and calculated by weighted averaging with acquisition prices, rounded down to the first decimal place.

## 4. 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% 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.

# Financial Strategy



# 1. Financial Status①

## Policy

### Market Recognition

- Long-term interest rates have been rising due to global monetary tightening and BOJ's review of YCC operations
- Lenders' lending attitude remains unchanged

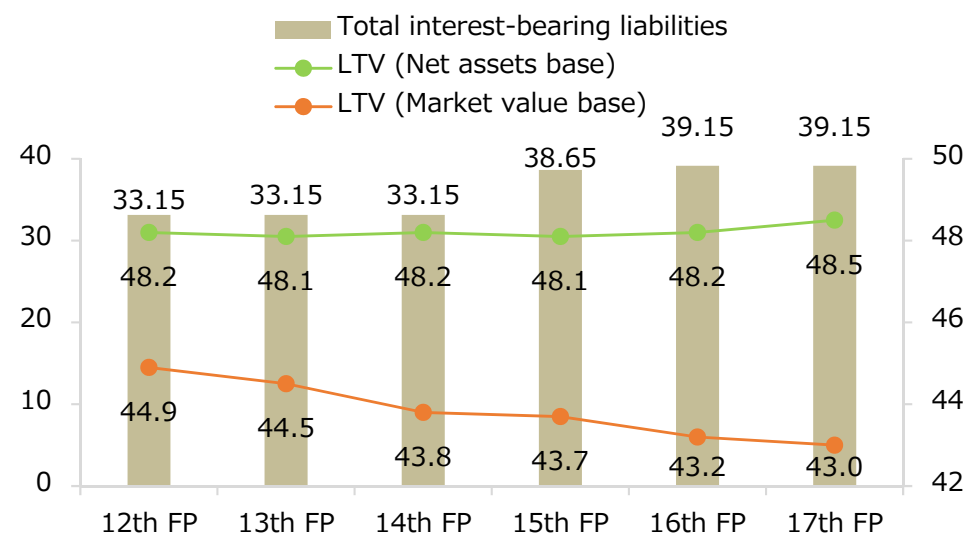
### HCM Policy

- Continue to conduct financial management considering financial soundness and its impact on distributions while closely monitoring interest rate trends
- Continue to control LTV around 50%
- Considering further diversification of maturities and lenders

## Status of Interest-Bearing Liabilities

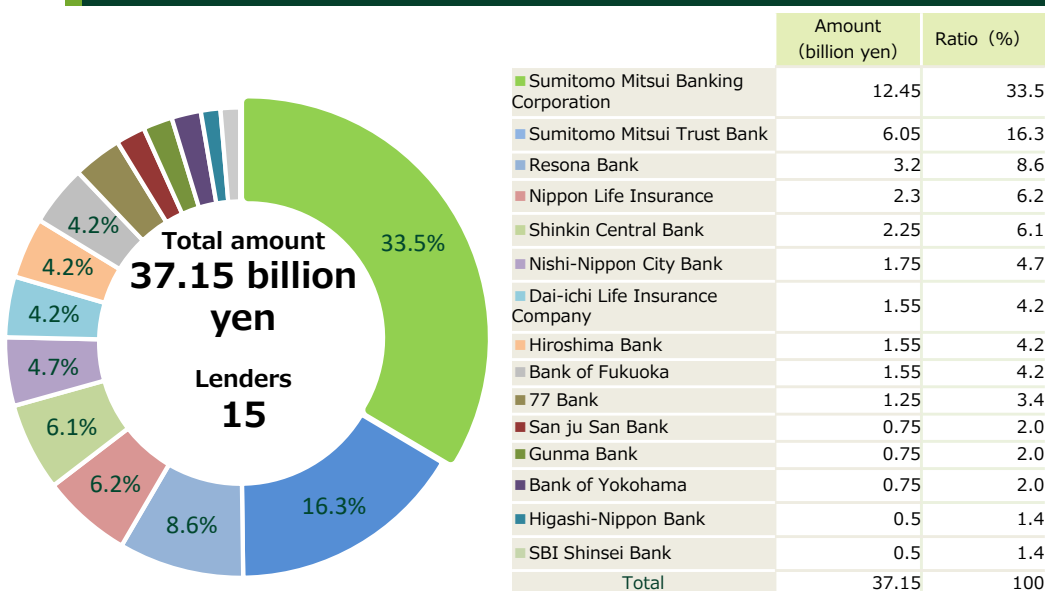
		End of 16th FP	End of 17th FP	Change
<b>Total amount of interest-bearing Liabilities</b>	<b>(billion yen)</b>	39.15	39.15	±0
(Social loans)	(billion yen)	36.15	36.15	±0
(Social bonds)	(billion yen)	2.0	2.0	±0
<b>Average remaining terms to maturity</b>	<b>(years)</b>	3.3	2.8	△0.5
<b>Ratio of debt with fixed interest rates</b>	<b>(%)</b>	94.9	94.9	±0
<b>LTV</b>	<b>(%)</b>	48.2	48.5	+0.3
<b>Average borrowing interest rate</b>	<b>(%)</b>	0.70	0.70	±0

## Change in LTV and Total Interest-Bearing Liabilities



# 1. Financial Status②

## Diversification of Lenders

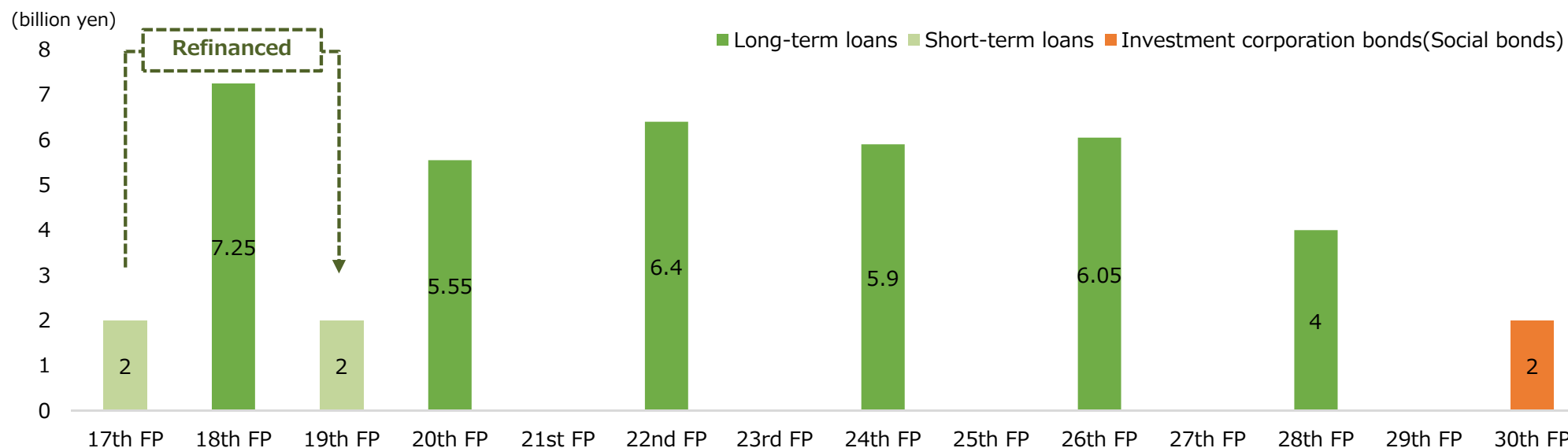


## Rating and Framework Evaluation

Rating Agency	Issuer Rating (Outlook)
Japan Credit Rating Agency, Ltd. (JCR)	Long-Term Issuer Rating <b>A+</b> (Stable)
External Evaluation Agency	Social Finance Framework Evaluation (Note 1)
Japan Credit Rating Agency, Ltd. (JCR)	<b>Social 1(F)</b> (The highest evaluation)

(Note 1) JCR Social Finance Evaluation is an evaluation performed by Japan Credit Rating Agency, Ltd. (hereinafter, "JCR") by confirming that the use of funds are in alignment with the Social Finance components of the principles published by the International Capital Market Association (ICMA) and consistent with the SDGs.

## Diversification of Maturities





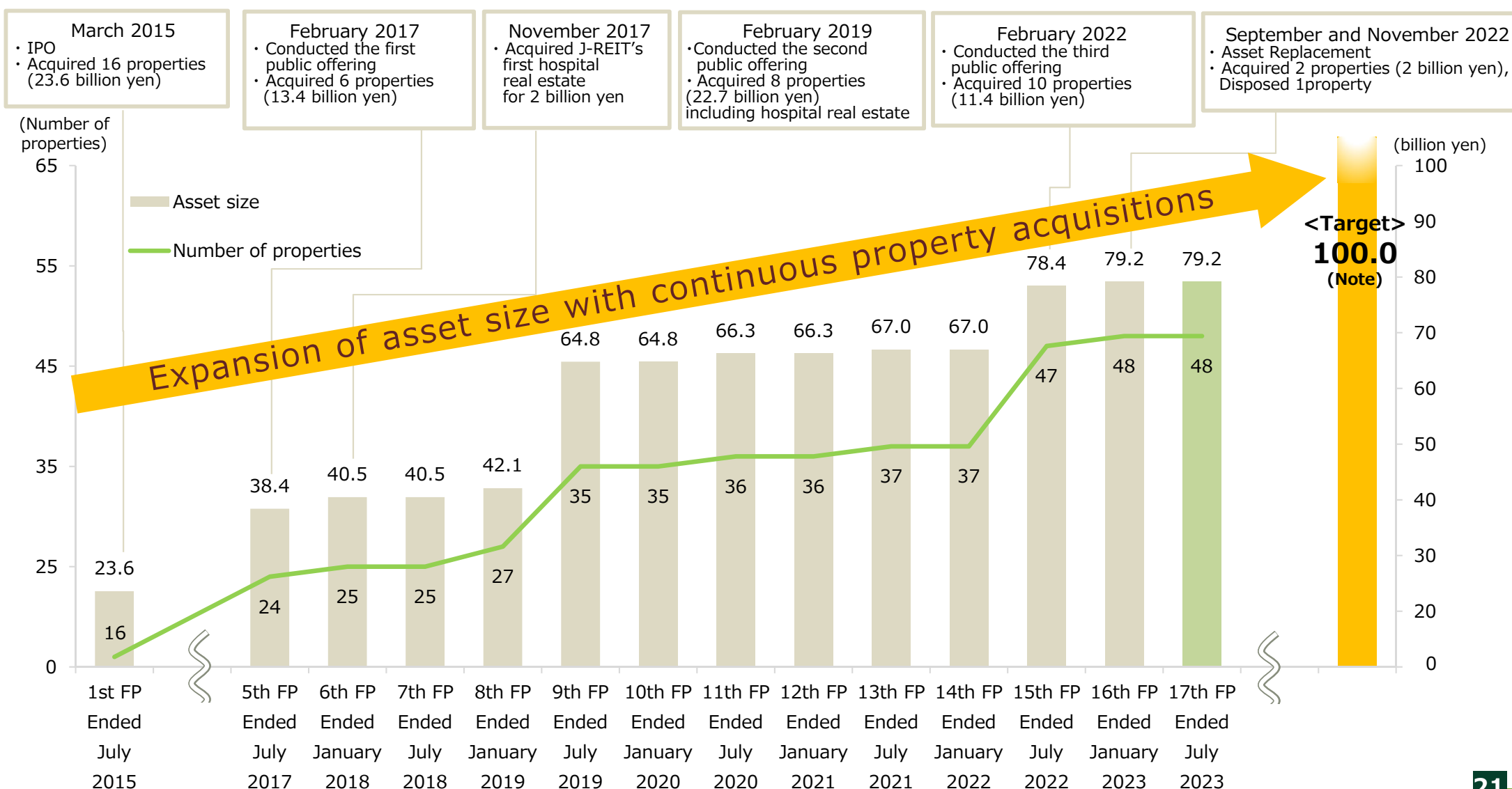
# Actions for External Growth

## IV

# 1. Road Map to External Growth

With continuous property acquisition, the asset size expanded to 79.2 billion yen.  
The mid-term target of 100 billion yen asset size is likely to be reached.

## Change in Asset Size and Number of Properties



## 2. External Growth Strategy①

### Policy

#### Market Recognition

- Strong demand for healthcare real estate acquisitions due to the participation of various players such as foreign funds
- Capitalization rates continue to decline and the trading market is overheated

#### HCM Policy

- Expansion of high-quality pipeline utilizing wide-ranging networks with operators and developers, etc. and their various functions (gathering system)
- Leverage sourcing capabilities as the only J-REIT specializing in healthcare (strengthen HAM proprietary channels)
- Consider flexibly investment targets (e.g., complex facilities) and investment types (e.g., TK equity investment, etc.)
- Improvement of portfolio quality over the medium to long term through strategic asset replacement

### The Status 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 30 billion yen** (Note)

### Pipeline Examples (Note)

Paid nursing home (to be developed)



PD House Higashiosaka  
(Higashiosaka-shi, Osaka; 48 rooms)

Utilized a warehousing function of a non-sponsor company, to capture a new developer's needs of exiting from development project. A paid nursing home specializing in Parkinson's disease.

Paid nursing home (in operation)



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

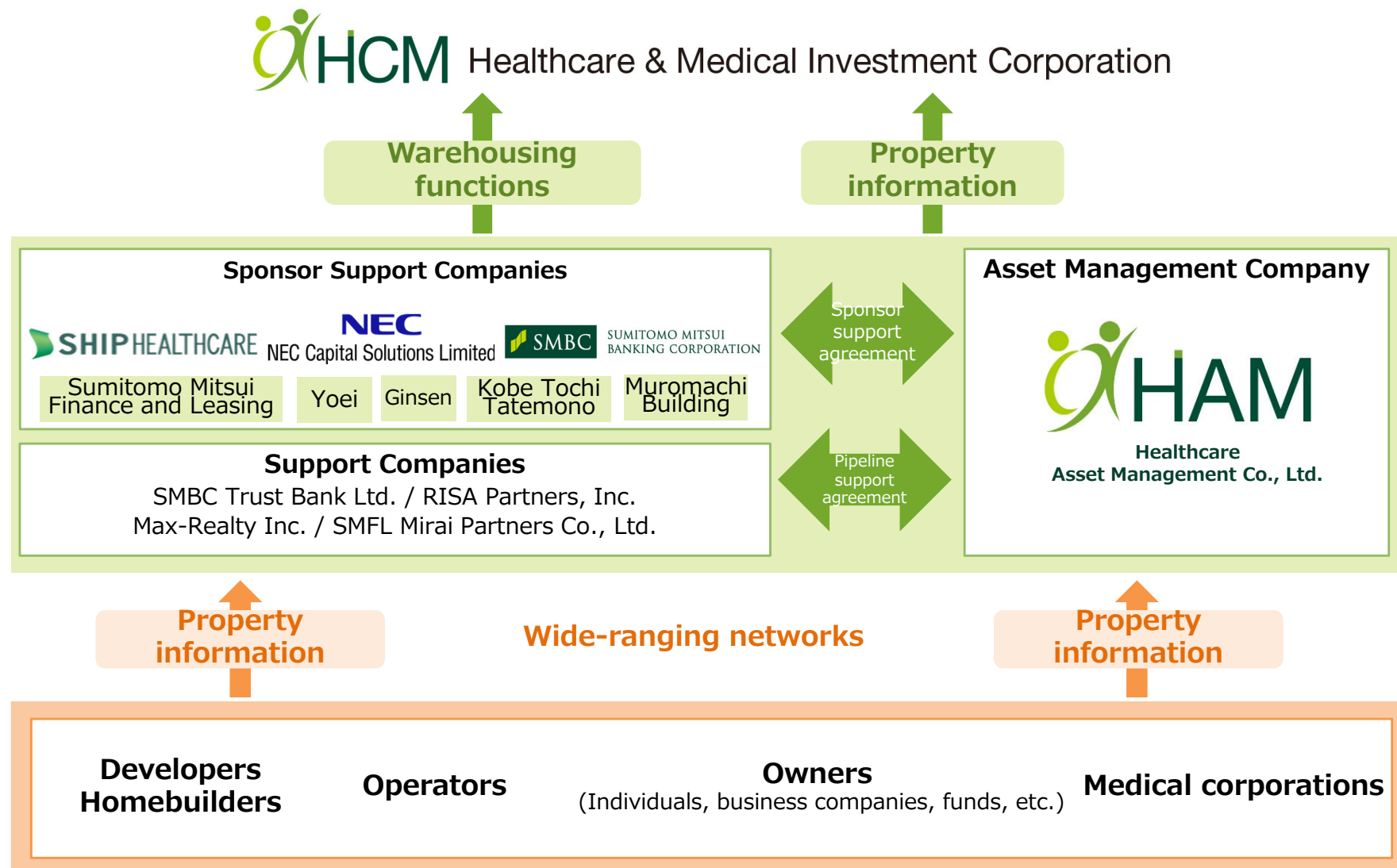
Change of ownership of paid nursing home. Capturing a rare opportunity for asset replacement by a major real estate company, the sponsor's warehousing function was utilized.

(Note) HCM has the first refusal rights for the acquisition of the above property, however this does not mean that HCM has decided to acquire the property, nor does it guarantee that HCM will acquire the property in the future.

## 2. External Growth Strategy②

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. 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>Operator</b>	Kyowakai Medical Corporation
<b>Number of beds</b>	400








<b>Name</b>	Niigata Rehabilitation Hospital
<b>Location</b>	Niigata-shi, Niigata
<b>Operator</b>	Medical Corporation AIKOKAI
<b>Number of beds</b>	168

# 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>Reduction of water resource consumption</li> <li>Energy conservation and reduction of CO<sub>2</sub> emissions</li> <li>Response to natural disasters caused by climate change (Resilience)</li> <li>Waste management and reduction</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> <li>Use of Environmentally Friendly Materials (GreenLife Moriguchi)</li> <li>Landslide Prevention Measures (Hanakotoba Oppama)</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</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</li> <li>Work-life balance, health of staff, etc.</li> </ul>	<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> <li>Operator employment support for people with disabilities (GreenLife Moriguchi, SHIP SENRI BUILDING)</li> <li>Tenant (Operator) Satisfaction Surveys</li> <li>Employee satisfaction survey at the Asset Management Company, continued implementation of Premium Friday, introduction of a corporate-type defined contribution plan and introduction of sick leave</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 investors meeting in October 2020)</li> <li>Establishment of a system in which an external third party periodically verifies the operation status of the warehousing rules in order to appropriately manage transactions with interested parties.</li> <li>Continue to share examples of initiatives taken by each department and exchange opinions at the "Customer-Oriented Committee" of the Asset Management Company</li> <li>Monthly compliance workshops held at the asset management company</li> </ul>	   

### External Evaluation/Environmental Certification

#### ● GRESB

- Participation in the GRESB from 2022 HCM received a "1 Star" rating in the GRESB Real Estate Assessment and the highest "A Level" rating in the GRESB Public Disclosure.



#### ● TCFD Recommendations

- In March 2023, HCM announced its support for TCFD (Task Force on Climate-related Financial Disclosure) and participated in the TCFD Consortium, an organization of domestic TCFD supporting companies



#### ● BELS Evaluation

- 2 properties have been rated by BELS (Building-housing Energy-efficiency Labeling System)

### Improving Resilience (adaptability to disasters, etc.)

- Although safety measures such as spraying mortar and installing a retaining wall had already been implemented to the steep slopes extending from east to south side of building, HCM acquired the property only after the seller implemented additional landslide prevention measures to strengthen safety for the sake of long-term investment in the healthcare facility. (Hanakotoba Oppama)

【Before the implementing of the measures】



【After the implementing of the measures】



### Use of Environmentally Friendly Materials

- Environmentally friendly products were used when replacing the floors (GreenLife Moriguchi)
- ✓ Half the amount of products weight consists of recycled materials, which reduced CO<sub>2</sub> emissions (recycled from discarded agricultural vinyl and scrap materials generated during manufacturing)
- ✓ Easy to clean flooring, which improved sanitation
- ✓ Improved safety due to fewer steps



Area of flooring materials used	Gross weight of flooring materials	Ratio of recycled materials	Usage of recycled materials
2,328 m <sup>2</sup>	20.5 Ton	50 %	10.2 Ton

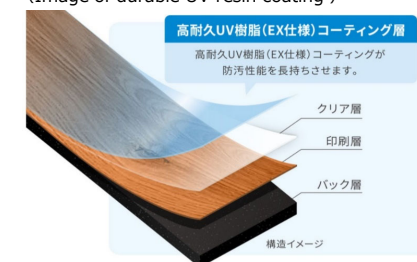
CO <sub>2</sub> emissions	Reduction ratio of CO <sub>2</sub> emissions	Reduction amount of CO <sub>2</sub> emissions
17.7 Ton	53 %	9.4 Ton

\*Reduction ratio of CO<sub>2</sub> emissions means the comparison to the same merchandise without recycled materials.

(Image of recycle)

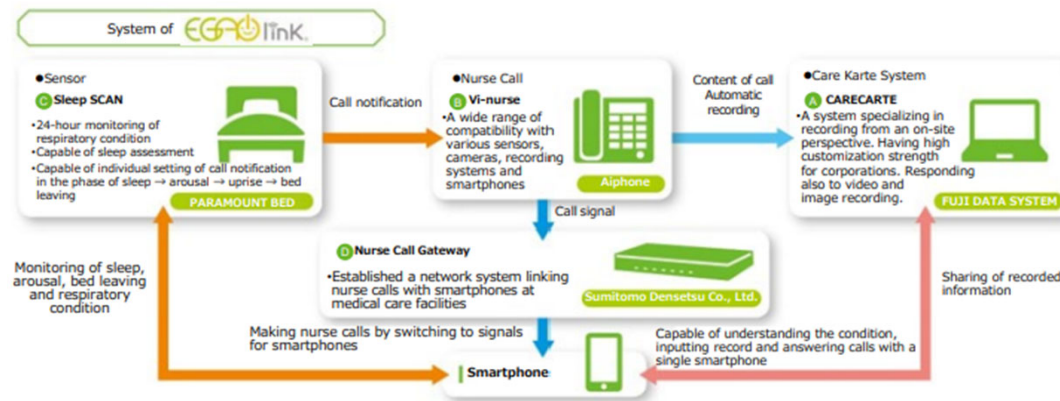


(Image of durable UV resin coating)



### System Investment Utilizing ICT(EGAO link)

- Introduced a system capable of understanding of situation, input records, and response to calls with smartphone, supported the improvement of efficiency of nursing care services.(ASHEIM Hikarigaoka, ASHEIM Bunkyoakusan)



(Source) AS PARTNERS Co., Ltd.

- Effect of Introduction of EGAO link

The quality of nursing care services is expected to improve through the improvement of business efficiency of nursing care staff and the reduction of work burden through ICT investments.

Reducing night-time regular inspection by using watching sensors

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

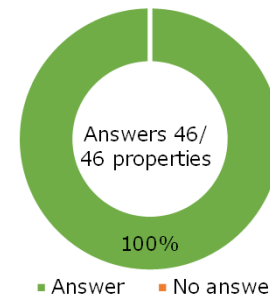
Reducing the number of nurse calls through monitoring using smartphones

### Stakeholder Engagement

- HAM conducts a satisfaction survey of operators of its properties on a regular basis (in principle once a year), and shares the results of this survey (requests, issues, etc.) with the property management company to improve operator satisfaction.

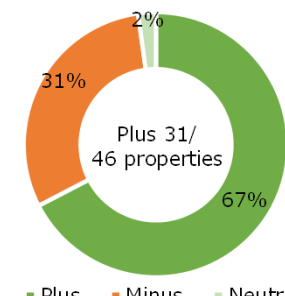
Survey results (conducted in February 2023)

Survey collection rate



■ Answer ■ No answer

Satisfaction NPS (Number of satisfaction – Number of dissatisfaction)



■ Plus ■ Minus ■ Neutral

- Interviews with operators in the asset management report (optional page) introducing operators' features and initiatives.

### Initiatives at HAM

- Employee satisfaction survey  
aims to pleasant work environment and increase productivity
- Work-life balance and Benefits  
encouraging to take paid leave  
introduction of sick leave  
introduction of cumulative investment system and corporate defined contribution pension plan
- Support for qualification acquisition  
assistance with expenses related to the acquisition of qualifications as Real Estate Notary, ARES Certified Master, Medical Management Specialist, etc.

### 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 through rigorous screening procedures.

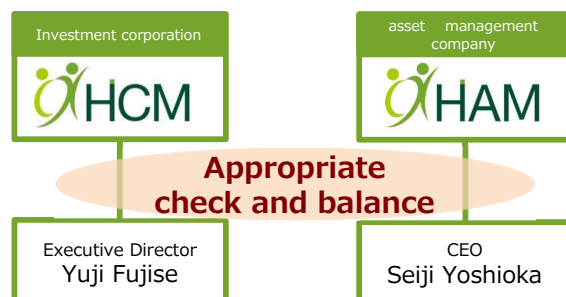


- Acquisition fee for property acquisition from related party and Disposition fee for property disposition to related party

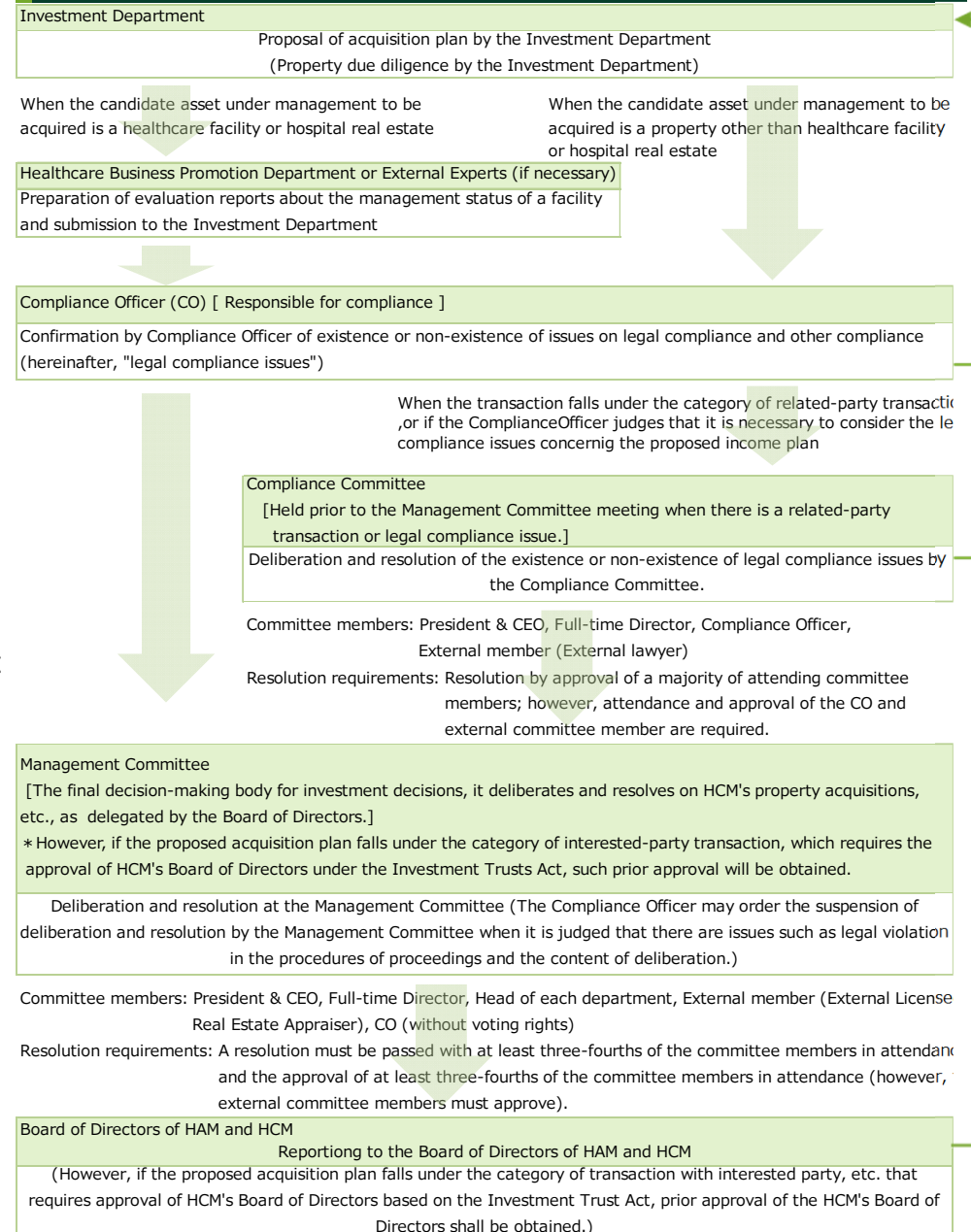
Acquisition or Disposition price  $\times$  **0.5%** (usually 1.0%) is upper limit

### 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



Instructions for cancellation or change of content

# Environment Surrounding the Healthcare Industry

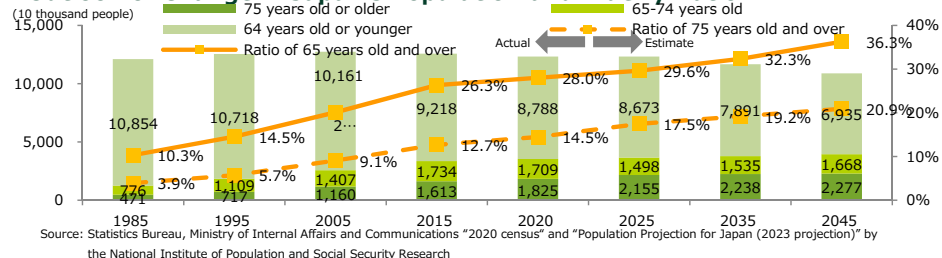




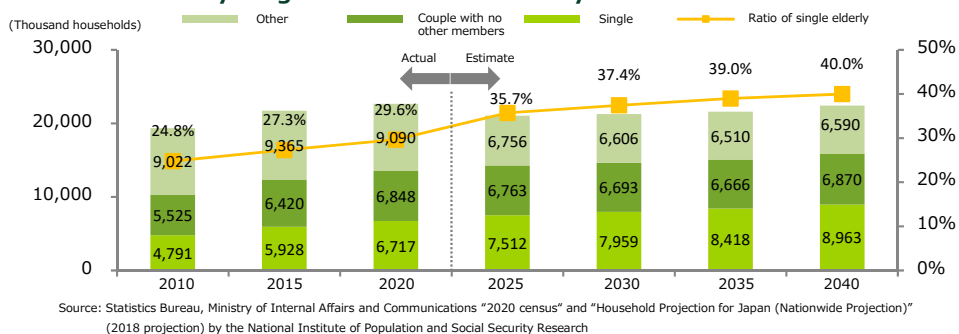
# 1. Supply and Demand of Healthcare Facilities

## 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



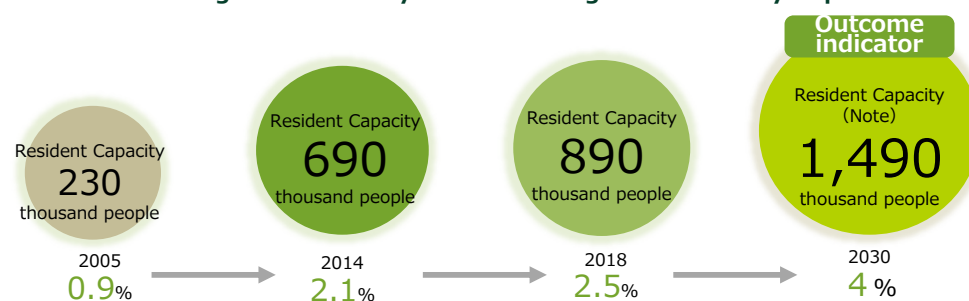
## Upgrades and Expansion of Healthcare Facilities Backed by Government Policy

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.

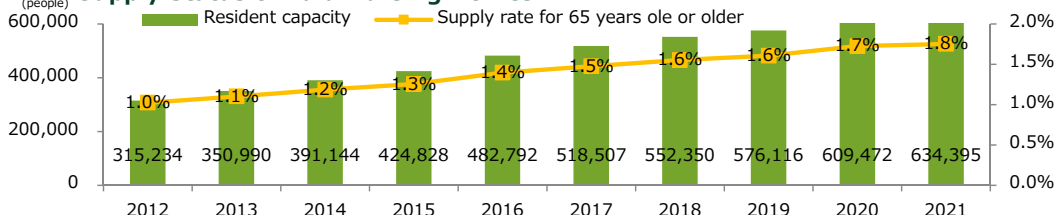
### Ratio of Housing for the Elderly as a Percentage of the Elderly Population



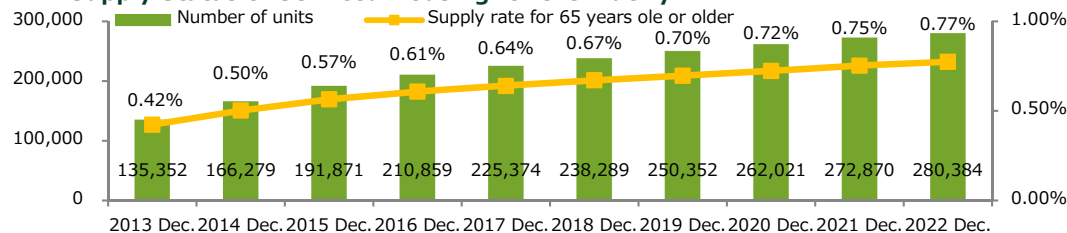
## Promotion of Further Supply of Healthcare Facilities

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 1.8% in 2021, and promotion of further supply is needed.

### Supply Status of Paid Nursing Homes



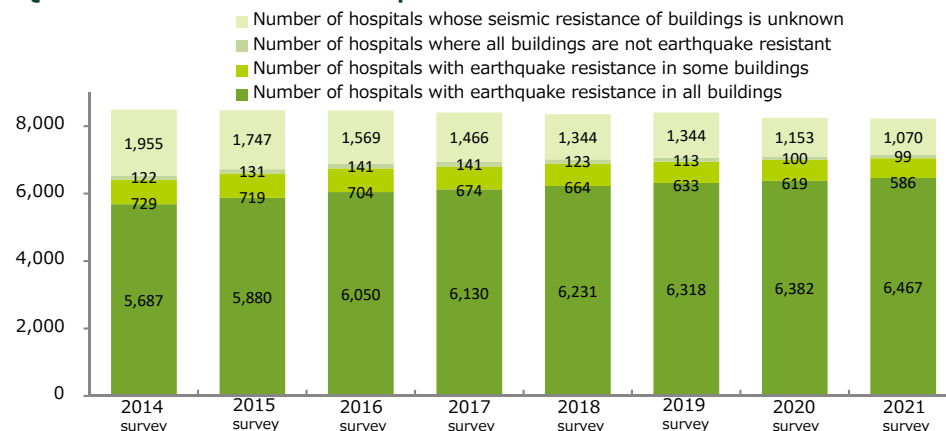
### Supply Status of Serviced Housing for the Elderly



## 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

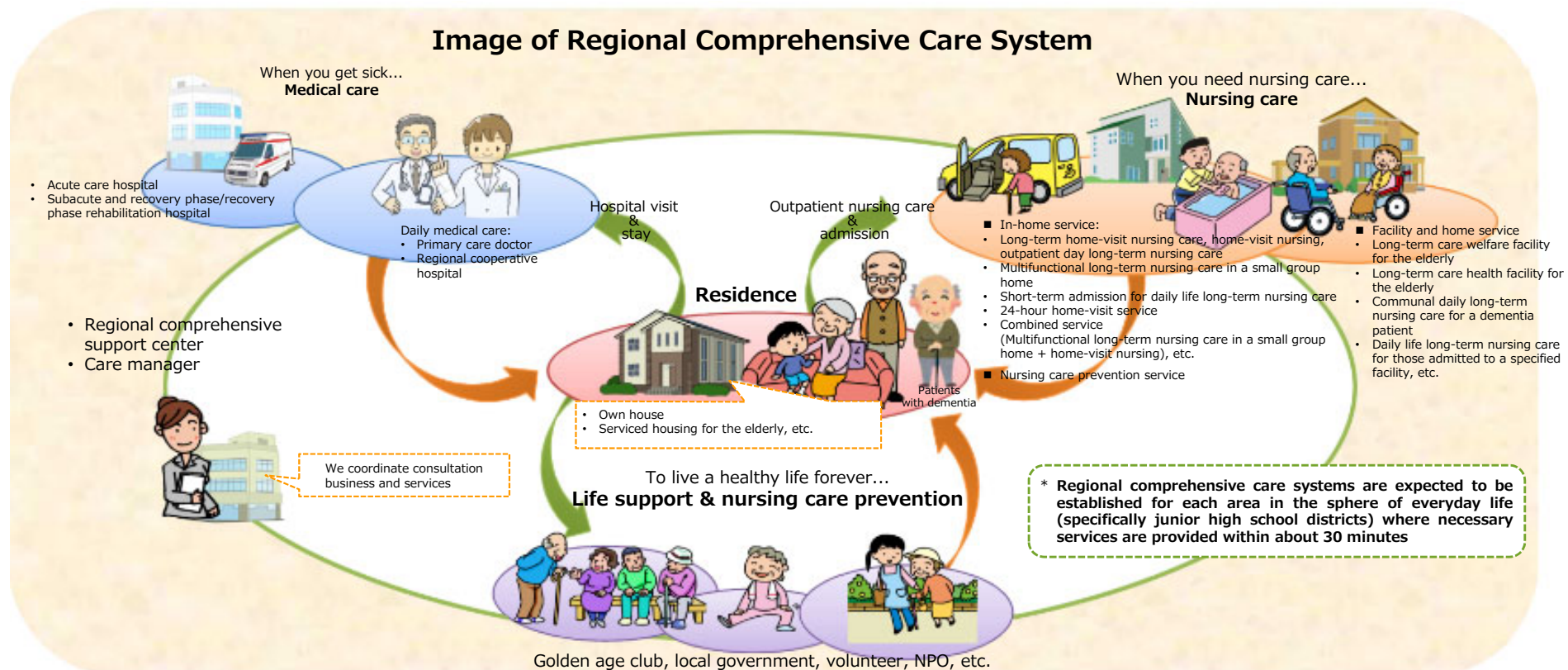




## 2. Regional Comprehensive Care System

### Regional Comprehensive Care System

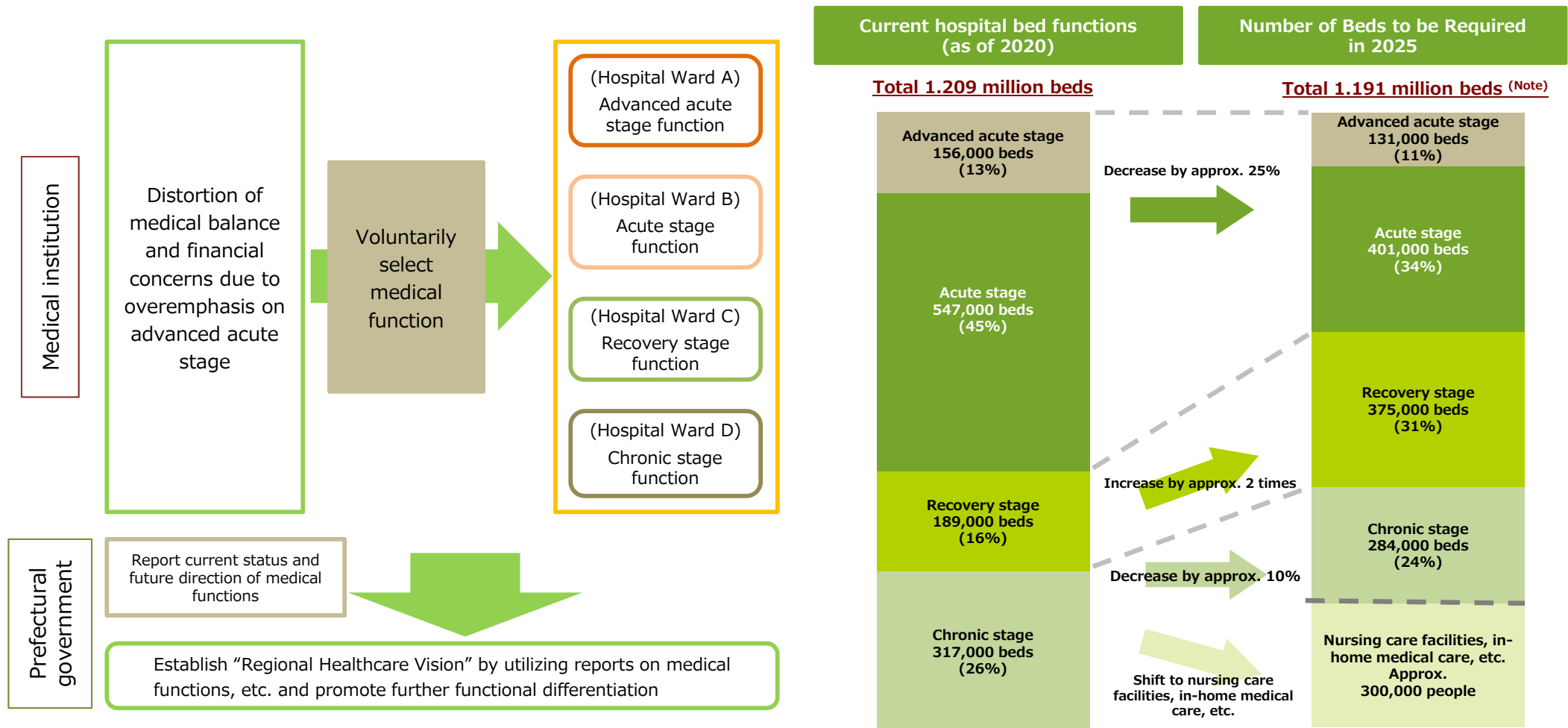
- We will establish a **regional comprehensive care system that provides residences, medical care, nursing care, preventative medicine and life support in an integrated manner** to offer an environment where the elderly can continue living in an area they are used to, even after they come to require 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.**



## VI Environment Surrounding the Healthcare Industry

# 3. 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.

## 4. 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

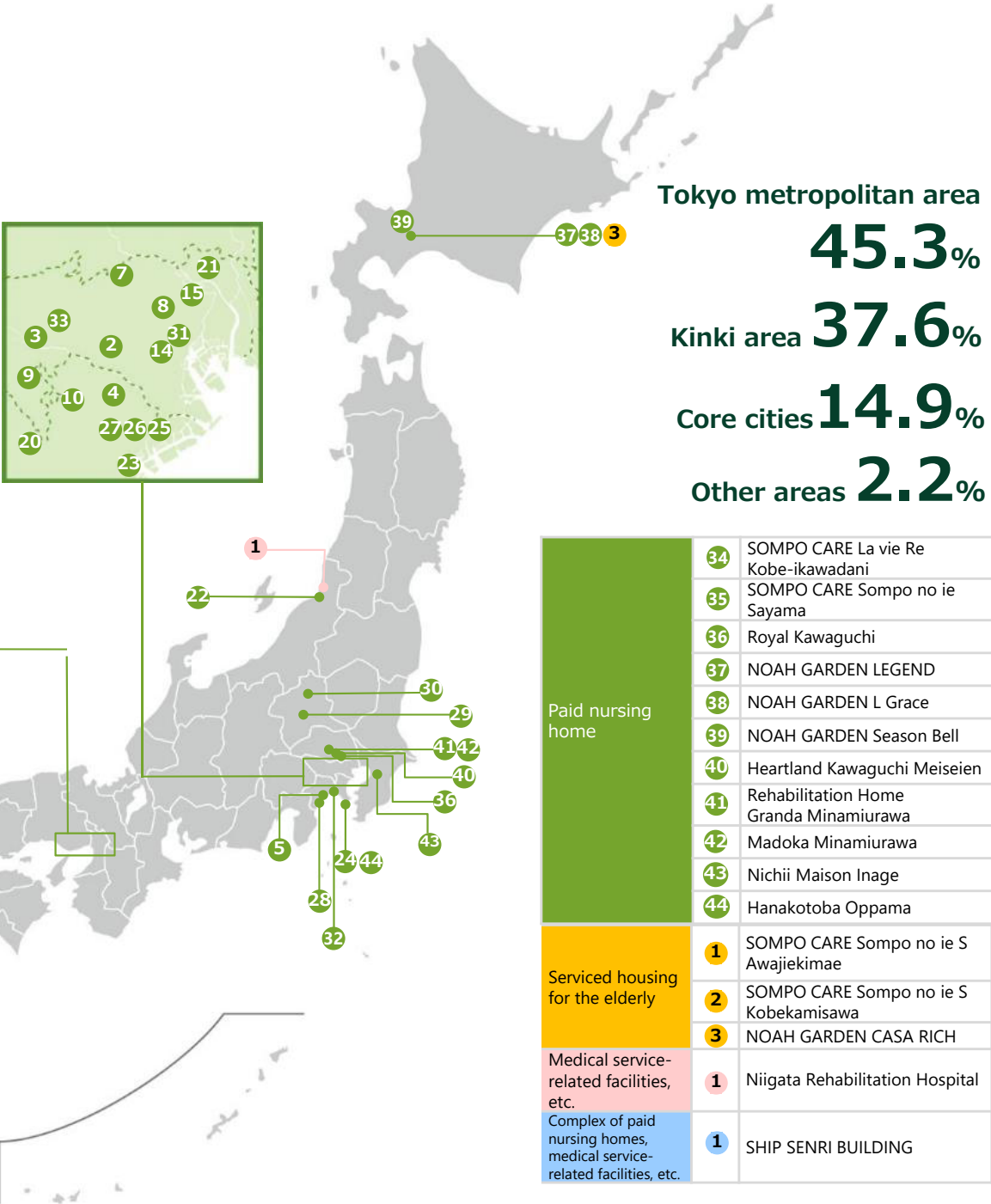
VII

# Portfolio Map

Ratio of investment in three major metropolitan areas

82.9%

Strategic investment in three major metropolitan areas



Paid nursing home	1	AQUAMARINE Nishinomiyahama
	2	Bonsejour Chitose-funabashi
	3	Bonsejour Hino
	4	Bonsejour Musashi-shinjo
	5	Medical Rehabilitation Home Bonsejour Hadanoshibusawa
	7	ASHEIM Hikarigaoka
	8	ASHEIM Bunkyohakusan
	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	Bonsejour Yotsugi
	16	Medical Home Bonsejour Itami
Paid nursing home	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
Paid nursing home	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
Served housing for the elderly	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
Medical service-related facilities, etc.	39	NOAH GARDEN Season Bell
	40	Heartland Kawaguchi Meiseien
	41	Rehabilitation Home Granda Minamiurawa
	42	Madoka Minamiurawa
	43	Nichii Maison Inage
Complex of paid nursing homes, medical service-related facilities, etc.	44	Hanakotoba Oppama
	1	SOMPO CARE Somo no ie S Awajiekimae
	2	SOMPO CARE Somo no ie S Kobekamisawa
Complex of paid nursing homes, medical service-related facilities, etc.	3	NOAH GARDEN CASA RICH
	1	Niigata Rehabilitation Hospital
	1	SHIP SENRI BUILDING



# 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	834 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>	100.0%	78.7%	98.3%	83.7%	92.1%
Operator	GREEN LIFE	Benesse Style Care	Benesse Style Care	Benesse Style Care	Benesse Style Care
Remaining years of lease agreement <sup>(Note 4)</sup>	13.8 years	2.8 years	2.8 years	3.3 years	3.8 years

## Details of Portfolio②

Paid nursing home				
⑦	⑧	⑨	⑩	⑪
ASHEIM Hikarigaoka	ASHEIM Bunkyo-hakusan	SOMPO CARE La vie Re Machida-onoji	SOMPO CARE La vie Re Azamino	SAWAYAKA Tachibanakan
				

Location	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	173-15 Oaza Ryugeji, Hakata-ku, Fukuoka-shi, Fukuoka
Nearest station	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	Sasahara Station on the JR Kagoshima Honsen Line
Construction completion	March 2006	February 2007	October 2007		March 2004	October 2005
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>	76 million yen	74 million yen	192 million yen		156 million yen	93 million yen
Appraisal NOI yield <sup>(Note 1)</sup>	5.5%	5.2%	5.3%		5.1%	6.1%
Appraisal value <sup>(Note 1)</sup>	1,600 million yen	1,790 million yen	4,230 million yen		3,560 million yen	1,640 million yen
Acquisition price (ratio)	1,385 million yen (1.7%)	1,430 million yen (1.8%)	3,580 million yen (4.5%)		3,050 million yen (3.8%)	1,520 million yen (1.9%)
Site area	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>	3,359.66 m <sup>2</sup>
Leasable area	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>	5,652.94 m <sup>2</sup>
Structure/ number of floors <sup>(Note 2)</sup>	RC, 3F	RC, 8F	RC, B1 6F		RC, B1 5F	RC, B1 6F
Number of rooms/resident capacity	83 rooms, 89 people	50 rooms, 52 people	163 rooms, 169 people		145 rooms, 145 people	104 rooms, 104 people
occupancy rate <sup>(Note 3)</sup>	86.5%	90.4%	80.5%		95.9%	98.1%
Operator	AS PARTNERS	AS PARTNERS	Sampo Care Inc.		Sampo Care Inc.	Sawayaka Club
Remaining years of lease agreement <sup>(Note 4)</sup>	10.6 years	3.6 years	4.2 years		3.9 years	4.5 years

## Details of Portfolio③

Paid nursing home				
⑫	⑬	⑭	⑮	⑯
SAWAYAKA Mekarikan	SAWAYAKA Tagawakan	GOOD TIME HOME Fudo-mae	Bonsejour Yotsugi	Medical Home Bonsejour Itami
				






<b>Location</b>	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	1-2-25 Chuo, Itami-shi, Hyogo
<b>Nearest station</b>	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	Hankyu Itami Station on the Hankyu Railway Itami Line
<b>Construction completion</b>	November 2005	January 2006	March 1992	March 1989	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 2016	Fiscal period ended July 2016
<b>Appraisal NOI</b> (Note 1)	85 million yen	25 million yen	91 million yen	47 million yen	38 million yen
<b>Appraisal NOI yield</b> (Note 1)	6.2%	6.4%	5.2%	5.7%	7.5%
<b>Appraisal value</b> (Note 1)	1,480 million yen	405 million yen	2,100 million yen	905 million yen	557 million yen
<b>Acquisition price (ratio)</b>	1,380 million yen (1.7%)	390 million yen (0.5%)	1,740 million yen (2.2%)	824 million yen (1.0%)	514 million yen (0.6%)
<b>Site area</b>	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>	1,976.11 m <sup>2</sup>
<b>Leasable area</b>	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>	2,129.87 m <sup>2</sup>
<b>Structure/number of floors</b> (Note 2)	RC, 4F	RC, 3F	RC, B1 5F	RC, 5F	SRC, 11F (Exclusive portion)
<b>Number of rooms/resident capacity</b>	95 rooms, 95 people	60 rooms, 60 people	61 rooms, 67 people	61 rooms, 65 people	62 rooms, 64 people
<b>occupancy rate</b> (Note 3)	78.9%	96.7%	85.1%	83.1%	82.8%
<b>Operator</b>	Sawayaka Club	Sawayaka Club	JAPAN LIFEDESIGN	Benesse Style Care	Benesse Style Care
<b>Remaining years of lease agreement</b> (Note 4)	4.5 years	4.5 years	3.3 years	2.4 years	3.8 years








## Details of Portfolio④

Paid nursing home					
	17	18	19	20	21
	Kobe Gakuentoshi Building (Hapine Kobe Gakuentoshi)	GreenLife Moriguchi	Hapine Kobe Uozaki Nibankan	Granda Tsuruma-Yamato	Smiling Home Medice Adachi
					
Location	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	3-35-10 Minamihanabatake, Adachi-ku, Tokyo
Nearest station	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	Rokucho Station on the Tsukuba Express
Construction completion	January 2009	September 2006	March 2010	March 1998	November 2005
Acquisition period	Fiscal period ended July 2017	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>	226 million yen	220 million yen	48 million yen	52 million yen	118 million yen
Appraisal NOI yield <sup>(Note 1)</sup>	5.2%	5.3%	5.2%	5.2%	5.2%
Appraisal value <sup>(Note 1)</sup>	4,700 million yen	4,750 million yen	1,030 million yen	1,030 million yen	2,500 million yen
Acquisition price (ratio)	4,320 million yen (5.5%)	4,150 million yen (5.2%)	930 million yen (1.2%)	1,000 million yen (1.3%)	2,253 million yen (2.8%)
Site area	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>	2,069.41 m <sup>2</sup>
Leasable area	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>	3,870.98 m <sup>2</sup>
Structure/ number of floors <sup>(Note 2)</sup>	RC, B1 9F	S RC, 9F	S, B1 4F	RC S, 5F	RC, 4F
Number of rooms/resident capacity	131 rooms, 138 people	155 rooms, 189 people	47 rooms, 47 people	73 rooms, 90 people	82 rooms, 82 people
occupancy rate <sup>(Note 3)</sup>	99.3%	100.0%	100.0%	73.3%	96.3%
Operator	GREEN LIFE	GREEN LIFE	GREEN LIFE	Benesse Style Care	GREEN LIFE HIGASHI NIHON Co., Ltd.
Remaining years of lease agreement <sup>(Note 4)</sup>	17.6 years	16.2 years	17.6 years	0.6 years	13.5 years

## Details of Portfolio⑤

Paid nursing home					
	22	23	24	25	26
	Aikoen Ichibankan Building (Aikoen Ichibankan)	Hanakotoba Minami	Hanakotoba Miura	SOMPO CARE La vie Re Hama-Kawasaki	Hanakotoba Shin-Yokohama
					
Location	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	1-11-5 Shinyokohama, Kohoku-ku, Yokohama-shi, Kanagawa
Nearest station	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	Shin-Yokohama Station on the Yokohama Municipal Subway Blue Line and the JR Yokohama Line
Construction completion	February 2010	February 2010	June 2007	March 2007	March 2004
Acquisition period	Fiscal period ended July 2017	Fiscal period ended January 2019	Fiscal period ended January 2019	Fiscal period ended July 2019	Fiscal period ended July 2019
Appraisal NOI <sup>(Note 1)</sup>	43 million yen	56 million yen	35 million yen	89 million yen	109 million yen
Appraisal NOI yield <sup>(Note 1)</sup>	5.6%	5.2%	5.6%	5.2%	5.2%
Appraisal value <sup>(Note 1)</sup>	827 million yen	1,270 million yen	682 million yen	1,850 million yen	2,520 million yen
Acquisition price (ratio)	770 million yen (1.0%)	1,071 million yen (1.4%)	615 million yen (0.8%)	1,710 million yen (2.2%)	2,071 million yen (2.6%)
Site area	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>	894.00 m <sup>2</sup>
Leasable area	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>	5,230.23 m <sup>2</sup>
Structure/ number of floors <sup>(Note 2)</sup>	S, 5F	RC, 7F	RC, 4F	RC, 4F (exclusively-owned portion)	RC, 9F
Number of rooms/resident capacity	90 rooms, 90 people	50 rooms, 50 people	53 rooms, 54 people	58 rooms, 58 people	136 rooms, 136 people
occupancy rate <sup>(Note 3)</sup>	95.6%	94.0%	94.4%	89.7%	91.9%
Operator	Medical Corporation AIKOKAI	Proud Life Inc.	Proud Life Inc.	Sompo Care Inc.	Proud Life Inc.
Remaining years of lease agreement <sup>(Note 4)</sup>	13.0 years	9.3 years	9.3 years	4.4 years	9.3 years

## Details of Portfolio⑥

Paid nursing home				
27	28	29	30	31
Hanakotoba Shin-Yokohama II	Hanakotoba Odawara	Verde Minowa	Verde Hotaka	Sunny Life Kita-Shinagawa
				






<b>Location</b>	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	3-8-6 Kitashinagawa, Shinagawa-ku, Tokyo
<b>Nearest station</b>	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	Shimbamba Station on the Keikyu Line
<b>Construction completion</b>	April 2007	September 2009	November 2003 (Building 1) February 1974 (Building 2)	September 1982 (Building 1) July 1989 (Building 2)	September 2018
<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> <sup>(Note 1)</sup>	21 million yen	49 million yen	109 million yen	91 million yen	90 million yen
<b>Appraisal NOI yield</b> <sup>(Note 1)</sup>	5.8%	5.6%	6.7%	6.8%	4.9%
<b>Appraisal value</b> <sup>(Note 1)</sup>	384 million yen	964 million yen	1,730 million yen	1,450 million yen	2,090 million yen
<b>Acquisition price (ratio)</b>	375 million yen (0.5%)	880 million yen (1.1%)	1,620 million yen (2.0%)	1,328 million yen (1.7%)	1,825 million yen (2.3%)
<b>Site area</b>	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>	1,105.12 m <sup>2</sup>
<b>Leasable area</b>	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>	2,135.54 m <sup>2</sup>
<b>Structure/number of floors</b> <sup>(Note 2)</sup>	RC, B1 7F	RC, 4F	S, 5F (Building 1) S RC, 8F (Building 2)	S SRC, 5F (Building 1) S, 2F (Building 2)	S, 3F
<b>Number of rooms/resident capacity</b>	29 rooms, 30 people	60 rooms, 65 people	174 rooms, 206 people	121 rooms, 174 people	66 rooms, 66 people
<b>occupancy rate</b> <sup>(Note 3)</sup>	100.0%	98.5%	95.1%	98.3%	86.4%
<b>Operator</b>	Proud Life Inc.	Proud Life Inc.	Verde Corporation	Verde Corporation	Kawashima Corporation
<b>Remaining years of lease agreement</b> <sup>(Note 4)</sup>	9.3 years	9.3 years	3.8 years	3.8 years	20.2 years

## Details of Portfolio⑦



Paid nursing home					
	③②	③③	③④	③⑤	③⑥
	Sunny Life Kamakura	Nichii Home Nishikokubunji	SOMPO CARE La vie Re Kobeikawadani	SOMPO CARE Sompno ie Sayama	Royal Kawaguchi
					
Location	214-4 Aza Kichime, Kamimachiya, Kamakura-shi, Kanagawa	2-11-22 Nishikoigakubo, Kokubunji-shi, Tokyo	1745-1 Ariseazaozaki, Ikawadanicho, Nishi-ku, kobe-shi, Hyogo	548-1 Minaminoda, Higashi-ku Sakai-shi, Osaka	2-5-24 Aoki, Kawaguchi-shi, Saitama
Nearest station	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	Kawaguchi-Motogo Station on the Saitama Railway
Construction completion	September 2014	September 1990	April 2009(New construction) December 2015(Expansion)	August 2005	October 2008
Acquisition period	Fiscal period ended July 2020	Fiscal period ended July 2021	Fiscal period ended July 2022	Fiscal period ended July 2022	Fiscal period ended July 2022
Appraisal NOI <sup>(Note 1)</sup>	76 million yen	36 million yen	63 million yen	32 million yen	62 million yen
Appraisal NOI yield <sup>(Note 1)</sup>	5.3%	5.0%	4.9%	5.4%	4.9%
Appraisal value <sup>(Note 1)</sup>	1,620 million yen	777 million yen	1,300 million yen	647 million yen	1,340 million yen
Acquisition price (ratio)	1,418 million yen (1.8%)	720 million yen (0.9%)	1,288 million yen (1.6%)	600 million yen (0.8%)	1,260 million yen (1.6%)
Site area	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>	2,294.91m <sup>2</sup>
Leasable area	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>	3,484.02m <sup>2</sup>
Structure/ number of floors <sup>(Note 2)</sup>	S, 5F	S, 3F	RC・S, 4F	S, 3F	RC, 3F
Number of rooms/resident capacity	128 rooms, 128 people	46 rooms, 46 people	80 rooms, 80 people	50 rooms, 50 people	56 rooms, 56 people
occupancy rate <sup>(Note 3)</sup>	89.1%	91.3%	82.5%	84.0%	94.6%
Operator	Kawashima Corporation	Nichii Carepalace	Sompo Care Inc.	Sompo Care Inc.	SENIOR LIFE SUPPORT
Remaining years of lease agreement <sup>(Note 4)</sup>	16.2 years	4.6 years	12.6 years	2.1 years	26.1 years



## Details of Portfolio⑧

Paid nursing home					
	37	38	39	40	41
	NOAH GARDEN LEGEND	NOAH GARDEN L Grace	NOAH GARDEN Season Bell	Heartland Kawaguchi Meiseien	Rehabilitation Home Granda Minamiurawa
					
Location	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	63-2 Aza Nishinotsuma, Koyaba, Kawaguchi-shi, Saitama
Nearest station	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	Minami-Urawa Station on the JR Keihin-Tohoku Line
Construction completion	October 2015	October 2017	December 2019	January 2006	July 2011
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>	48 million yen	35 million yen	78 million yen	100 million yen	49 million yen
Appraisal NOI yield <sup>(Note 1)</sup>	5.6%	5.6%	5.8%	5.0%	4.8%
Appraisal value <sup>(Note 1)</sup>	910 million yen	660 million yen	1,520 million yen	2,280 million yen	1,110 million yen
Acquisition price (ratio)	859 million yen (1.1%)	622 million yen (0.8%)	1,350 million yen (1.7%)	2,000 million yen (2.5%)	1,022 million yen (1.3%)
Site area	9,012.28㎡	9,012.28㎡	3,636.38㎡	1,996.66㎡	2,620.05㎡
Leasable area	2,736.89㎡	2,075.25㎡	4,602.26㎡	3,885.90㎡	2,373.25㎡
Structure/ number of floors <sup>(Note 2)</sup>	RC, 4F	RC, 4F	RC, 5F	RC, 6F	S, 3F
Number of rooms/resident capacity	72 rooms, 72 people	51 rooms, 51 people	136 rooms, 136 people	97 rooms, 100 people	58 rooms, 60 people
occupancy rate <sup>(Note 3)</sup>	72.2%	92.2%	71.3%	83.0%	90.0%
Operator	NOAH KONZER	NOAH KONZER	NOAH KONZER	MEISHO	Benesse Style Care
Remaining years of lease agreement <sup>(Note 4)</sup>	26.6 years	26.6 years	28.6 years	8.1 years	17.9 years

# Details of Portfolio⑨

Paid nursing home			
	42	43	44
	Madoka Minamiurawa	Nichii Maison Inage	Hanakotoba Oppama
			
Location	58 Aza Nishinotsuma, Oaza Koyaba, Kawaguchi-shi, Saitama	2153-2 Miyanogicho, Inage-ku, Chiba-shi, Chiba	1-1-11 Oppamacho, Yokosuka-shi, Kanagawa
Nearest station	Minami-Urawa Station on the JR Keihin-Tohoku Line	Inage Station on the JR Sobu Line	Keikyu-Taura station on the Keikyu Line
Construction completion	April 2005	February 2008	July 2011
Acquisition period	Fiscal period ended July 2022	Fiscal period ended January 2023	Fiscal period ended January 2023
Appraisal NOI <sup>(Note 1)</sup>	39 million yen	83 million yen	25 million yen
Appraisal NOI yield <sup>(Note 1)</sup>	4.8%	5.5%	5.1%
Appraisal value <sup>(Note 1)</sup>	883 million yen	1,670 million yen	514 million yen
Acquisition price (ratio)	822 million yen (1.0%)	1508 million yen (1.9%)	500 million yen (0.6%)
Site area	2,620.05㎡	2,444.12㎡	1,499.82㎡
Leasable area	1,918.98㎡	4,700.07㎡	1,899.46㎡
Structure/ number of floors <sup>(Note 2)</sup>	S, 3F	RC, 4F	S, 5F
Number of rooms/resident capacity	54 rooms, 54 people	85 rooms, 95 people	59 rooms, 59 people
occupancy rate <sup>(Note 3)</sup>	85.2%	61.1%	94.9%
Operator	Benesse Style Care	Nichii Carepalace	Proud Life Inc.
Remaining years of lease agreement <sup>(Note 4)</sup>	1.7 years	9.6 years	29.3 years

Details of Portfolio<sup>⑩</sup>

	Serviced housing for the elderly			Medical service-related facilities, etc.	Paid nursing home· medical service-related facilities, etc.
	①	②	③	①	①
	SOMPO CARE Sompō no ie S Awajiekimae	SOMPO CARE Sompō no ie S Kobekamisawa	NOAH GARDEN CASA RICH	Niigata Rehabilitation Hospital	SHIP SENRI BUILDING
					
Location	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	761 Kizaki, Kita-ku, Niigata-shi, Niigata	1-4-3 Shinsenri-higashimachi, Toyonaka-shi, Osaka
Nearest station	Awaji Station on the Hankyu Railway Kyoto and Senri Lines	Kamisawa Station on the Kobe Municipal Subway Seishin-Yamate Line	Kaminoppo Station on the JR Chitose Line	Hayadori Station on the JR Hakushin Line	Senri-Chuo Station on the Kita-Osaka Kyuko Namboku Line and the Osaka Monorail
Construction completion	June 2009	June 2009	March 2015(New construction) October 2016(Expansion)	April 1990 (Building 1) February 2001 (Building 2)	September 2008
Acquisition period	Fiscal period ended July 2015	Fiscal period ended July 2015	Fiscal period ended July 2022	Fiscal period ended January 2018	Fiscal period ended July 2019
Appraisal NOI <sup>(Note 1)</sup>	116 million yen	72 million yen	91 million yen	153 million yen	678 million yen
Appraisal NOI yield <sup>(Note 1)</sup>	6.0%	6.0%	5.6%	7.4%	5.2%
Appraisal value <sup>(Note 1)</sup>	2,390 million yen	1,450 million yen	1,730 million yen	2,300 million yen	14,200 million yen
Acquisition price (ratio)	1,930 million yen (2.4%)	1,200 million yen (1.5%)	1,619 million yen (2.0%)	2,060 million yen (2.6%)	12,920 million yen (16.3%)
Site area	1,251.26 m <sup>2</sup>	743.22 m <sup>2</sup>	9,012.28m <sup>2</sup>	15,056.85 m <sup>2</sup>	4,202.65 m <sup>2</sup>
Leasable area	5,745.15 m <sup>2</sup>	4,058.35 m <sup>2</sup>	4,986.98m <sup>2</sup>	13,476.55 m <sup>2</sup>	24,813.85 m <sup>2</sup>
Structure/ number of floors <sup>(Note 2)</sup>	RC, 12F	S, 9F	RC, 4F (SECOND COURT : 5F)	RC, 3F (Building 1) S, 5F (Building 2)	RC, B1 11F
Number of rooms/resident capacity	137rooms, 137 people	85 rooms, 85 people	115 rooms, 115 people	168 beds	Hospital: 400 beds Paid nursing home: 181 rooms, 200 people
occupancy rate <sup>(Note 3)</sup>	74.5%	98.8%	73.9%	-	Paid nursing home: 100 %
Operator	Sompo Care Inc.	Sompo Care Inc.	NOAH KONZER	Medical Corporation AIKOKAI	Kyowakai Medical Corporation GREEN LIFE
Remaining years of lease agreement <sup>(Note 4)</sup>	11.0 years	11.0 years	26.6 years	23.6 years	15.2 years





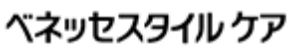


(Note 1) Figures in Appraisal NOI, Appraisal NOI yield and Appraisal Value are as of July 31, 2023. Appraisal NOI is rounded down to the nearest million yen and Appraisal NOI yield to the first decimal place.

(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, 2023, rounded down to the first decimal place.

## 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.		29	—	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	23.8 (Note 3)
GREEN LIFE HIGASHI NIHON Co., Ltd.		39	—				
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 Machidaonoji 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 SOMPO CARE La vie Re Kobe-ikawadani SOMPO CARE Sompo no ie Sayama	16.9
Kyowakai Medical Corporation		4 (Note 4)	6	-	A major medical corporation operating a wide range of businesses including six hospitals (2,108 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)	9.6
Benesse Style Care Co., Ltd.		351	—	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 Bonsejour Yotsugi Medical Home Bonsejour Itami Granda Tsuruma-Yamato Rehabilitation Home Granda Minamiurawa Madoka Minamiurawa	8.9
Proud Life Inc.		33	—	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 Hanakotoba Oppama	7.0
NOAH KONZER Co.,Ltd		25	—	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	5.6



## VII 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.		97	—	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		154	—	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	3.7
Medical Corporation AIKOKAI		13	2	A medical corporation which belongs to NSG Group with sales of over 120 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.		24	—	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
Nichii Carepalace Company		88	—	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 Nichii Maison Inage	2.8
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

(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, 2023).

(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 2.8%.

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

(Note 5) Indicates the actual figures in September 2022 based on NSG Group's website.

## Summary of Appraisal Report①

Property name	Appraisal company	End of July 2023 Appraisal value (million yen) (A)	Summary of Appraisal Report (Note 1)						End of January 2023 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	997	0
Bonsejour Hino	The Tanizawa Sogo Appraisal Co., Ltd.	834	849	4.7	827	4.8	4.9	43	834	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
ASHEIM Hikarigaoka	Japan Real Estate Institute	1,600	1,600	4.5	1,590	4.3	4.6	76	1,590	+10
ASHEIM Bunkyohakusan	Japan Real Estate Institute	1,790	1,800	4.1	1,780	3.9	4.2	74	1,790	0
SOMPO CARE La vie Re Machidaonoji	Japan Real Estate Institute	4,230	4,250	4.4	4,200	4.2	4.5	192	4,140	+90
SOMPO CARE La vie Re Azamino	Japan Real Estate Institute	3,560	3,590	4.2	3,530	4.0	4.3	156	3,480	+80
SAWAYAKA Tachibanakan	Japan Real Estate Institute	1,640	1,650	5.2	1,620	5.0	5.4	93	1,610	+30
SAWAYAKA Mekarikan	Japan Real Estate Institute	1,480	1,490	5.4	1,460	5.2	5.6	85	1,480	0
SAWAYAKA Tagawakan	Japan Real Estate Institute	405	408	5.4	402	5.2	5.6	25	398	+7
GOOD TIME HOME Fudo-mae	Japan Real Estate Institute	2,100	2,110	4.1	2,080	3.9	4.2	91	2,100	0
Bonsejour Yotsugi	The Tanizawa Sogo Appraisal Co., Ltd.	905	922	4.6	897	4.7	4.8	47	905	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.	4,700	4,760	4.4	4,670	4.2	4.6	226	4,600	+100
GreenLife Moriguchi	Daiwa Real Estate Appraisal Co., Ltd.	4,750	4,820	4.3	4,720	4.1	4.5	220	4,650	+100
Hapine Kobe Uozaki Nibankan	Daiwa Real Estate Appraisal Co., Ltd.	1,030	1,040	4.4	1,020	4.2	4.6	48	1,000	+30
Granda Tsuruma-Yamato	The Tanizawa Sogo Appraisal Co., Ltd.	1,030	1,040	4.7	1,020	4.8	4.9	52	1,060	△30
Smiling Home Medice Adachi	The Tanizawa Sogo Appraisal Co., Ltd.	2,500	2,540	4.4	2,480	4.5	4.6	118	2,560	△60
AIKOEN ICHIBANKAN Building	The Tanizawa Sogo Appraisal Co., Ltd.	827	828	5.0	826	5.1	5.2	43	838	△11
Hanakotoba Minami	Japan Real Estate Institute	1,270	1,280	4.3	1,260	4.1	4.4	56	1,270	0
Hanakotoba Miura	The Tanizawa Sogo Appraisal Co., Ltd.	682	690	4.7	678	4.8	4.9	35	668	+14
SOMPO CARE La vie Re Hama-Kawasaki	JLL Morii Valuation & Advisory K.K.	1,850	1,880	4.5	1,810	4.3	4.7	89	1,850	0
Hanakotoba Shin-Yokohama	Japan Real Estate Institute	2,520	2,540	4.0	2,500	3.8	4.1	109	2,460	+60

## Summary of Appraisal Report②

Property name	Appraisal company	End of July 2023 Appraisal value (million yen) (A)	Summary of Appraisal Report (Note 1)						End of January 2023 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 II	Japan Real Estate Institute	384	385	5.0	382	4.8	5.2	21	384	0
Hanakotoba Odawara	The Tanizawa Sogo Appraisal Co., Ltd.	964	979	4.8	957	4.9	5.0	49	946	+18
Verde Minowa	Daiwa Real Estate Appraisal Co., Ltd.	1,730	1,740	4.9	1,720	4.7	5.1	109	1,730	0
Verde Hotaka	Daiwa Real Estate Appraisal Co., Ltd.	1,450	1,460	5.3	1,450	5.1	5.5	91	1,460	△10
Sunny Life Kita-Shinagawa	Daiwa Real Estate Appraisal Co., Ltd.	2,090	2,120	4.2	2,070	4.0	4.4	90	2,090	0
Sunny Life Kamakura	The Tanizawa Sogo Appraisal Co., Ltd.	1,620	1,640	4.4	1,610	4.5	4.6	76	1,620	0
Nichii Home Nishikokubunji	Daiwa Real Estate Appraisal Co., Ltd.	777	791	4.2	771	4.0	4.4	36	777	0
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	0
SOMPO CARE Sompno ie Sayama	Rich Appraisal Institute Co., Ltd.	647	656	4.7	643	4.5	4.9	32	647	0
Royal Kawaguchi	Daiwa Real Estate Appraisal Co., Ltd.	1,340	1,350	4.2	1,330	4.0	4.4	62	1,340	0
NOAH GARDEN LEGEND	The Tanizawa Sogo Appraisal Co., Ltd.	910	920	5.1	910	5.2	5.3	48	910	0
NOAH GARDEN L Grace	The Tanizawa Sogo Appraisal Co., Ltd.	660	660	5.1	660	5.2	5.3	35	660	0
NOAH GARDEN Season Bell	The Tanizawa Sogo Appraisal Co., Ltd.	1,520	1,530	5.0	1,520	5.1	5.2	78	1,520	0
Heartland Kawaguchi Meiseien	Japan Real Estate Institute	2,280	2,300	4.1	2,260	3.9	4.2	100	2,230	+50
Rehabilitation Home Granda Minamiurawa	Rich Appraisal Institute Co., Ltd.	1,110	1,120	4.1	1,100	3.9	4.2	49	1,100	+10
Madoka Minamiurawa	Rich Appraisal Institute Co., Ltd.	883	893	4.1	879	3.9	4.2	39	883	0
Nichii Maison Inage	Rich Appraisal Institute Co., Ltd.	1,670	1,700	4.6	1,660	4.4	4.8	83	1,670	0
Hanakotoba Oppama	The Tanizawa Sogo Appraisal Co., Ltd.	514	515	4.4	514	4.5	4.6	25	509	+5
SOMPO CARE Sompno ie S Awajiekimae	Japan Real Estate Institute	2,390	2,420	4.7	2,360	4.5	4.9	116	2,350	+40
SOMPO CARE Sompno ie S Kobekamisawa	Japan Real Estate Institute	1,450	1,460	4.8	1,430	4.6	5.0	72	1,420	+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	0
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	4.6	4.7	678	14,200	0
Total		88,769	89,709	—	88,108	—	—	4,387	88,206	+563

(Note 1) "Appraisal value" is based on the appraisal report with July 31, 2023, 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.

(Note 3) "Appraisal NOI" indicates net operating income obtained by direct capitalization method stated in real estate appraisal report with July 31, 2023 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.

# VII Appendix

## Status of Income/Expenditure of Properties①

(Unit: thousand yen)

Property name	Real estate lease business revenue		Real estate lease business expenses							17th FP NOI (Note 2)	16th 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)		25,012	4,264	2,100	326	236	17,684	400	60,014	58,181
Bonsejour Chitose-funabashi			5,629	1,831	225	-	122	3,048	401	21,426	21,371
Bonsejour Hino			5,083	1,247	214	-	91	3,130	400	19,490	19,473
Bonsejour Musashi-shinjo			4,128	1,031	167	-	82	2,447	400	16,210	16,136
Medical Rehabilitation Home Bonsejour Hadanoshibusawa			8,405	1,810	213	-	163	5,817	400	21,090	21,114
Medical Rehabilitation Home Bonsejour Komaki (Note 3)			-	-	-	-	-	-	-	-	11,427
ASHEIM Hikarigaoka			16,836	3,821	381	84	212	11,936	400	40,850	40,813
ASHEIM Bunkyoakukan			12,349	2,580	381	-	129	8,857	400	38,995	39,003
SOMPO CARE La vie Re Machidaonaji			49,169	6,038	780	1,962	392	39,596	400	95,426	95,024
SOMPO CARE La vie Re Azamino			32,668	4,686	780	1,889	285	24,627	400	77,158	76,528
SAWAYAKA Tachibanakan			23,942	2,668	1,200	-	370	19,303	400	47,214	47,216
SAWAYAKA Mekarikan			23,165	2,985	1,200	-	273	18,307	400	43,375	43,378
SAWAYAKA Tagawakan			7,865	1,108	1,200	-	119	5,037	400	12,856	12,858
GOOD TIME HOME Fudo-mae			17,558	3,061	600	2,716	182	10,485	513	43,927	44,821
Bonsejour Yotsugi			4,938	949	223	-	78	3,286	400	20,740	20,718
Medical Home Bonsejour Itami			6,551	1,402	371	-	117	4,260	400	13,970	13,951
Kobe Gakuentoshi Building (Hapine Kobe Gakuentoshi)			54,099	9,585	900	1,364	620	41,229	400	113,530	113,767
GreenLife Moriguchi			39,318	7,139	1,363	3,241	405	26,769	400	107,450	104,512
Hapine Kobe Uozaki Nibankan			9,624	1,391	1,200	-	96	6,536	400	24,411	24,416
Granda Tsuruma-Yamato			7,536	1,934	618	274	152	4,158	400	26,871	27,065
Smiling Home Medice Adachi			16,628	3,327	540	560	177	11,624	400	60,203	60,763
AIKOEN ICHIBANKAN Building			8,587	2,550	780	-	112	4,644	500	21,651	18,110
Hanakotoba Minami			8,196	1,563	600	74	79	5,479	400	27,882	27,180
Hanakotoba Miura			9,440	1,559	600	464	88	6,327	400	17,287	16,377
SOMPO CARE La vie Re Hama-Kawasaki			19,613	3,491	2,770	28	206	12,716	400	45,454	45,030

# VII Appendix

## Status of Income/Expenditure of Properties②

(Unit: thousand yen)

Property name	Real estate lease business revenue			Real estate lease business expenses							17th FP NOI (Note 2)	16th 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)			14,677	4,443	900	141	249	8,543	400	55,778	52,091
Hanakotoba Shin-Yokohama II				5,701	2,547	600	-	92	2,061	400	11,172	10,398
Hanakotoba Odawara				9,092	1,396	600	348	99	6,248	400	24,756	24,412
Verde Minowa				29,500	5,268	1,020	1,535	508	20,768	400	55,176	56,737
Verde Hotaka				28,230	2,259	1,020	2,342	249	21,959	400	43,834	45,848
Sunny Life Kita-Shinagawa				10,271	2,805	600	80	119	6,265	400	45,494	45,580
Sunny Life Kamakura				13,572	2,747	720	863	179	8,661	400	37,989	37,942
Nichii Home Nishikokubunji				4,522	1,236	660	155	92	1,978	400	18,537	18,714
SOMPO CARE La vie Re Kobe-ikawadani				12,752	2,943	750	192	189	8,276	400	32,724	34,578
SOMPO CARE Sompō no ie Sayama				5,536	1,448	750	134	103	2,700	400	16,063	17,589
Royal Kawaguchi				11,243	2,832	1,647	979	180	5,200	402	31,157	34,214
NOAH GARDEN LEGEND				10,200	1,988	300	-	129	7,615	167	24,414	26,082
NOAH GARDEN L Grace				7,775	1,748	300	-	101	5,458	166	17,705	19,453
NOAH GARDEN Season Bell				14,749	2,368	720	-	213	11,047	400	40,919	43,248
Heartland Kawaguchi Meiseien				15,317	2,856	720	-	223	11,116	400	51,179	54,036
Rehabilitation Home Granda Minamiurawa				8,163	1,777	480	740	134	4,831	200	24,735	26,979
Madoka Minamiurawa				6,161	1,101	480	1,100	108	3,172	200	19,360	21,562
Nichii Maison Inage				16,301	3,127	900	2,712	210	8,951	400	38,849	29,985
Hanakotoba Oppama				6,369	2,077	600	145	103	3,043	400	12,767	6,743
SOMPO CARE Sompō no ie S Awajiekimae				27,484	4,897	510	136	298	21,242	400	58,215	58,346
SOMPO CARE Sompō no ie S Kobekamisawa				18,418	2,918	510	1,497	183	12,908	400	34,780	36,031
NOAH GARDEN CASA RICH				18,575	3,827	300	-	236	14,044	166	46,247	50,074
Niigata Rehabilitation Hospital				28,390	9,644	1,030	-	387	16,828	500	78,318	78,308
SHIP SENRI BUILDING				81,020	28,043	1,500	-	1,182	49,894	400	340,675	341,078
Total	2,438,597	2,428,260	10,337	820,379	168,336	37,029	26,083	10,377	560,130	18,421	2,178,349	2,189,281

(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

(Note 3) The figure is as of September 27, 2022 as its disposition date.

## VII Appendix

# Balance Sheet and Income Statement

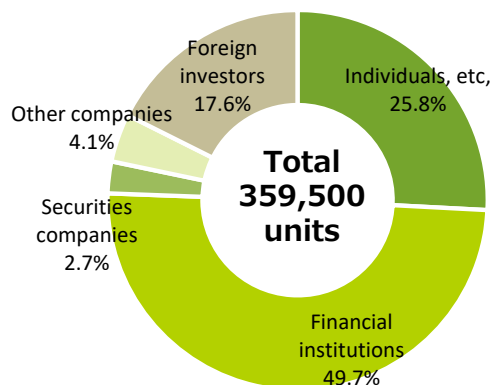
Balance Sheet (Unit: thousand yen)		16th Fiscal Period ended January 2023	17th Fiscal Period ended July 2023
<b>Assets</b>			
Current assets		2,008,064	2,073,660
Cash and deposits		1,539,878	1,613,659
Cash and deposits in trust		272,156	234,734
Operating accounts receivable		51,052	51,925
Consumption taxes receivable		137,266	122,748
Prepaid expenses		—	50,592
Derivative receivables		7,709	—
Non-current assets		79,197,762	78,684,795
Property, plant and equipment		78,788,993	78,424,916
Intangible assets		2,771	2,445
Investments and other assets		405,997	257,432
Deferred assets		37,541	30,758
Investment unit issuance costs		22,970	17,227
Investment corporation bond issuance costs		14,570	13,530
<b>Total assets</b>		<b>81,243,368</b>	<b>80,789,213</b>
<b>Liabilities</b>			
Current liabilities		10,208,351	10,071,151
Operating accounts payable		55,678	17,037
Current portion of long-term loans payable		7,250,000	7,250,000
Short-term loans payable		2,000,000	2,000,000
Accounts payable – other		103,501	111,882
Accrued expenses		295,543	271,803
Income taxes payable		702	863
Consumption taxes payable		105,273	17,558
Advances received		397,489	401,721
Deposits received		162	162
Derivative liabilities		—	122
Non-current liabilities		32,066,763	32,100,115
Investment corporation bonds		2,000,000	2,000,000
Long-term loans payable		27,900,000	27,900,000
Tenant leasehold and security deposits		1,936,482	1,936,482
Tenant leasehold and security deposits in trust		167,616	167,616
Deferred tax liabilities		47,322	13,988
Derivatives liabilities		14,977	81,819
Other		365	208
<b>Total liabilities</b>		<b>42,275,114</b>	<b>42,171,267</b>
<b>Net assets</b>			
Unitholders' capital		38,880,132	38,669,411
Unitholders' capital, net		37,590,306	37,601,252
Surplus		1,289,825	1,068,158
Valuation and translation adjustments		88,121	△51,465
Deferred gains or losses on hedges		88,121	△51,465
<b>Total net assets</b>		<b>38,968,253</b>	<b>38,617,946</b>
<b>Total liabilities and net assets</b>		<b>81,243,368</b>	<b>80,789,213</b>

Statement of Income (Unit: thousand yen)		16th Fiscal Period ended January 2023	17th Fiscal Period ended July 2023
<b>Operating revenue</b>		<b>2,632,258</b>	<b>2,438,597</b>
Leasing business revenues		2,417,024	2,428,260
Other revenue related to leasing business		10,583	10,337
Gain on sales of real estate properties		204,649	—
<b>Operating expenses</b>		<b>1,178,377</b>	<b>1,170,184</b>
Expenses related to leasing business		801,972	820,379
Asset management fee		246,843	233,430
Asset custody fee		4,063	2,830
Administrative service fees		24,293	16,653
Directors' compensation		5,100	5,400
Property tax		31,166	33,033
Other operating expenses		64,937	58,456
<b>Operating income</b>		<b>1,453,880</b>	<b>1,268,413</b>
<b>Non-operating income</b>		<b>1,355</b>	<b>2,803</b>
Interest income		5	8
Insurance income		254	2,336
Interest on tax refund		81	—
Reversal of distribution payable		1,000	458
Other		14	—
<b>Non-operating expenses</b>		<b>176,148</b>	<b>202,338</b>
Interest expenses		101,400	128,917
Interest expenses on investment corporation bonds		7,800	7,800
Amortization of investment unit issuance costs		5,742	5,742
Amortization of investment corporation bond issuance costs		1,040	1,040
Borrowing expenses		60,164	58,838
<b>Ordinary income</b>		<b>1,279,087</b>	<b>1,068,877</b>
<b>Income before income taxes</b>		<b>1,279,087</b>	<b>1,068,877</b>
Income taxes - current		703	864
Income taxes - deferred		10	△7
<b>Total income taxes</b>		<b>713</b>	<b>857</b>
<b>Net income</b>		<b>1,278,374</b>	<b>1,068,020</b>
Retained earnings brought forward		11,451	138
<b>Unappropriated retained earnings (undisposed loss)</b>		<b>1,289,825</b>	<b>1,068,158</b>

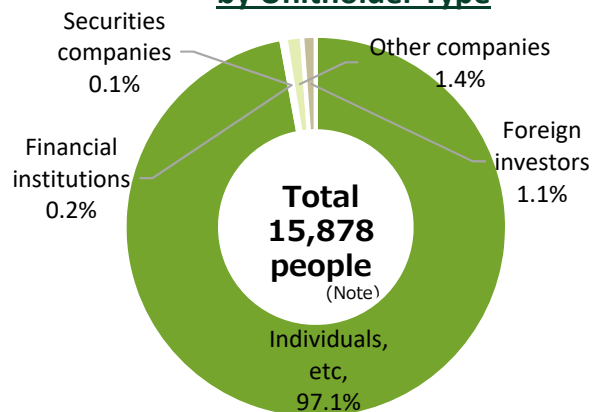


### Status of Unitholders

**Ratio of Number of Investment Units  
by Unitholder Type**

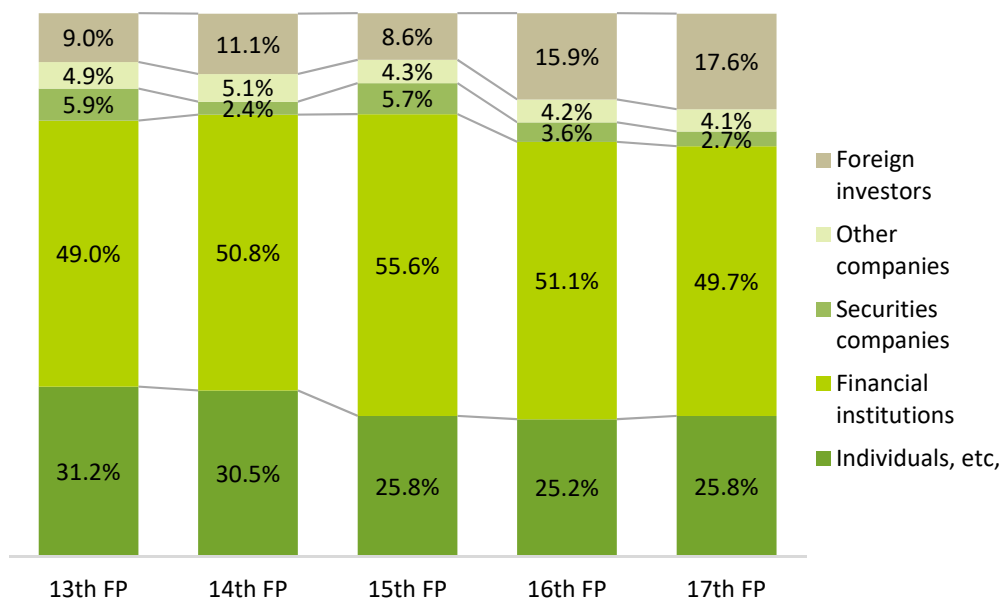


**Ratio of Number of Unitholders  
by Unitholder Type**



(Note) Increased by 892 from the previous fiscal period

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



(Note) The ratio of each index is rounded off to the first decimal place.

### List of Top Unitholders

Ranking	Name	Number of investment units owned (units)	Ownership ratio (%)
1	Custody Bank of Japan, Ltd. (Trust Account)	89,988	25.0
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	54,370	15.1
3	NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	14,587	4.1
4	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	14,371	4.0
5	Morgan Stanley MUFG Securities Co., Ltd.	5,389	1.5
6	SSBTC CLIENT OMNIBUS ACCOUNT	4,806	1.3
7	JP MORGAN CHASE BANK 385781	4,491	1.2
8	NEC Capital Solutions Limited	4,000	1.1
8	SHIP HEALTHCARE HOLDINGS INC.	4,000	1.1
8	Sumitomo Mitsui Banking Corporation	4,000	1.1
Total		200,002	55.6

# 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>

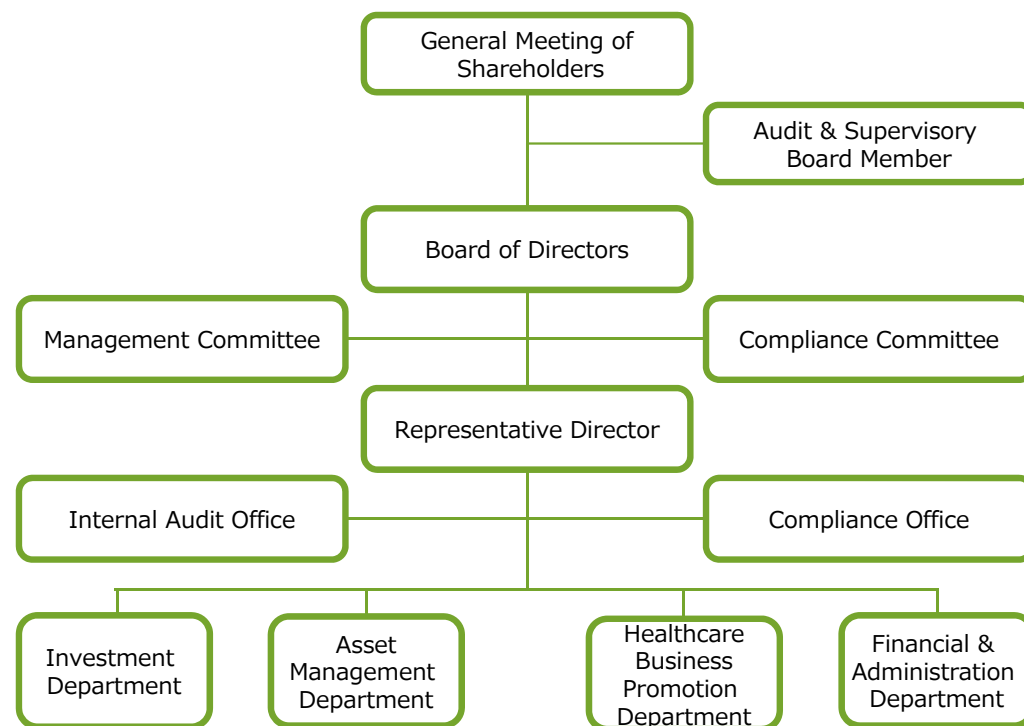
(Note) The special benefits are for unitholders as of the end of July 2023 and are subject to change in the future.

# 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 Capital Solutions Limited

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.



SUMITOMO MITSUI  
BANKING CORPORATION

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: Kuniyoshi Furukawa President: Futoshi Ohashi
Founded	August 1992
Capital stock	15,553 million yen
Sales	572,285 million yen on a consolidated basis (fiscal period ended March 2023)

### 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	258,107 million yen (fiscal period ended March 2023)

### Sumitomo Mitsui Banking Corporation

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

## Disclaimer

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