

March 19, 2015

Healthcare & Medical Investment Corporation
2-6-2, Otemachi, Chiyoda-ku, Tokyo, Japan
Representative: Executive Officer Seiji Yoshioka
(Code No. 3455)

Asset management company
Healthcare Asset Management Co., Ltd.
Representative: President & CEO Seiji Yoshioka
Contact: Director in charge of financial management Kazuo Uchida
TEL: +81-3-5204-2355

**Notice Concerning the Forecast for the Status of Management
for the Period Ending July 2015 and the Period Ending January 2016**

We would like to announce the forecast for the status of management of Healthcare & Medical Investment Corporation (hereinafter referred to as the “Investment Corporation”) for the period ending July 2015 (from December 9, 2014 to July 31, 2015) and the period ending January 2016 (from August 1, 2015 to January 31, 2016) as follows.

Details

	Operating revenue	Operating income	Ordinary income	Net income	Dividend per unit (not including dividend in excess of net income)	Dividend in excess of net income per unit
Period ending July 2015 (1st Period)	536 million yen	248 million yen	32 million yen	32 million yen	268 yen	-
Period ending January 2016 (2nd Period)	729 million yen	361 million yen	272 million yen	272 million yen	2,259 yen	-

(Reference) Period ending July 2015 : Forecasted number of outstanding investment units at end of period - 120,500 units; Forecasted net income per unit - 268 yen

Period ending January 2016 : Forecasted number of outstanding investment units at end of period - 120,500 units, Forecasted net income per unit - 2,259 yen

(Note 1) While the fiscal period of the Investment Corporation is from February 1 to July 31 and from August 1 to January 31 next year, the 1st Period is from December 9, 2014, the date of establishment of the Investment Corporation, to July 31, 2015. As asset management virtually started on March 19, 2015 for the 1st Period, the period of substantive asset management is 135 days from March 19, 2015 to July 31, 2015.

(Note 2) The forecast for the status of management for the period ending July 2015 and the period ending January 2016 is as of this moment calculated based on the assumptions noted in the “Assumptions of the Forecast for the Status of Management for the Period Ending July 2015 and the Period Ending January 2016.” Accordingly, the actual conditions may differ from the assumptions due to additional future acquisition or sale of properties, any change in rent revenue due to a change of tenants, any change in the management environment such as unexpected repair, any change in interest rate, the actual number of new investment units or issuance of additional investment units, and the like. As a result, actual operating revenue, operating income, ordinary income, net income and dividend per unit (not including dividend in excess of net income) may change. In addition, the forecast does not guarantee the amount of dividend.

(Note 3) When discrepancies from the above-mentioned forecast over a certain level are expected, we may revise the forecast.

(Note 4) Figures less than a unit are rounded off.

* Where to distribute this material: Kabuto Club, Press Club of MLIT and Construction Trade Journal Press Club of MLIT

* Website of the Investment Corporation: <http://www.hcm3455.co.jp>

[Attached document]

Assumptions of the Forecast for the Status of Management
for the Period Ending July 2015 and the Period Ending January 2016

Item	Assumption
Computation period	<ul style="list-style-type: none"> ➤ Period ending July 2015 (1st Period) (from December 9, 2014 to July 31, 2015) (235 days) ➤ Period ending January 2016 (2nd Period) (from August 1, 2015 to January 31, 2016) (184 days)
Assets under management	<ul style="list-style-type: none"> ➤ It is assumed that the Investment Corporation will acquire real estate trust beneficiary rights to be newly acquired (16 properties in total) (hereinafter referred to as the “Assets to Be Acquired”) of five properties as of today and 11 properties as of March 20, 2015, with funds obtained by issuance of new investment units as well as funds obtained by borrowing as decided at the board of directors’ meetings held on February 17, 2015 and March 11, 2015, and that there will be no change (acquisition of new properties, disposal of properties owned, etc.) by the end of the period ending January 2016. ➤ In reality, there may be a change due to acquisition of new properties other than the Assets to Be Acquired or disposal of properties owned.
Operating revenue	<ul style="list-style-type: none"> ➤ Revenue from rental business is calculated considering information obtained from the current owner of the respective Asset to Be Acquired and the trends of tenants as well as the market. ➤ For operating revenue, it is assumed that there will be no default or non-payment of rent by tenants.
Operating expense	<ul style="list-style-type: none"> ➤ Of rental business expenses, the major component of operating expense, expenses other than depreciation and amortization are calculated based on the past data reflecting factors for change in expenses in consideration of information obtained from the current owner of the respective Asset to Be Acquired. ➤ Depreciation and amortization is calculated by using the straight-line method including ancillary expenses and assumed to be 169 million yen for the period ending July 2015 and 198 million yen for the period ending January 2016. ➤ In general, real property tax and urban planning tax are calculated by period distribution with current owners and settled at the time of acquisition in buying and selling real estate, but as the Investment Corporation includes this settlement money in acquisition cost, they are not recorded as expenses in a year of acquisition. Therefore, real property tax and urban planning tax for the Assets to Be Acquired are not recorded as expenses for the period ending July 2015, and a part of them for FY2016 will be recorded as expenses from the period ending January 2016. Also, real property tax and urban planning tax for the Assets to Be Acquired, which will be included in acquisition cost, are assumed to be 84 million yen in total. ➤ For repair expenses, the asset management company (Healthcare Asset Management Co., Ltd.) records the expenses it deems necessary for each property in each period. However, as repair expenses may increase or additional repair may be required due to unpredictable reasons, actual expenses may differ significantly from the forecast.
Non-operating expense	<ul style="list-style-type: none"> ➤ A non-operating expense in the amount of 154 million yen is assumed to occur in relation to the issuance of new investment units (resolved at the board of directors’ meetings held on February 17, 2015 and March 11, 2015) and listing/placement of these units and as founding expenses. ➤ As interest expense and other loan-related expenses, 62 million yen is expected to occur for the period ending July 2015 while 71 million yen is expected to arise for the period ending January 2016.

Note: This English document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail. The English name marked by an asterisk (*) is not the officially recognized one. It has been translated using the conventional translations of the terms.



HCM Healthcare & Medical Investment Corporation

Item	Assumption
Borrowings	<ul style="list-style-type: none"> ➤ It is assumed that the Investment Corporation will borrow 14,000 million yen in March 2015 from qualified institutional investors as stipulated by Article 2, Section 3, Item 1 of the Financial Instruments and Exchange Act. In addition, the proceeds from issuance of new investment units by third-party allotment as mentioned in “Investment unit” below (up to 12,000 units) are assumed to be used to repay borrowings obtained as funds to acquire the Assets to Be Acquired and to acquire certain assets in the future as cash on hand. ➤ LTV may change depending on the number of new investment units to be issued by third-party allotment.
Investment unit	<ul style="list-style-type: none"> ➤ It is assumed that all investment units will be issued and they are planned to be newly issued by issuance of new investment units (up to 12,000 units) by third-party allotment as resolved at the board of directors’ meetings held on February 17, 2015 and March 11, 2015, in addition to 108,500 units outstanding as of today. ➤ It is assumed that other than the above, there will be no change in the number of investment units due to issuance of new units by the end of the period ending January 2016. ➤ Dividend per unit is calculated based on the forecasted number of outstanding units at end of period of 120,500 units for the period ending July 2015 and the period ending January 2016, including 12,000 units which is the upper limit of the number of investment units to be newly issued by third-party allotment as mentioned above.
Dividend per unit (not including dividend in excess of net income)	<ul style="list-style-type: none"> ➤ Dividend per unit (not including dividend in excess of net income) is calculated based on the policy of monetary distribution stipulated by the bylaws of the Investment Corporation. ➤ Dividend per unit (not including dividend in excess of net income) may change due to various factors including transfer of assets under management, any change in rent revenue due to a change in tenants and unexpected repair.
Dividend in excess of net income per unit	<ul style="list-style-type: none"> ➤ There is no plan as of now to implement monetary distribution in excess of net income (dividend in excess of net income per unit).
Other	<ul style="list-style-type: none"> ➤ It is assumed that no revision of laws and regulations, tax system, accounting standards, listing rules and rules of the Investment Trusts Association, Japan will be made which will affect the forecast above. ➤ It is also assumed that there will be no unforeseen significant change in economic trends and the real estate market in general.

Reminder: This press release is intended to publicly announce the forecast of the status of management of the Investment Corporation for the period ending July 2015 and the period ending January 2016 and is not prepared for the purpose of investment solicitation.