

January 22, 2020

REIT Securities Issuer

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Asset Management Company

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Notice Concerning Borrowing of Funds (Refinancing of Existing Loans)

We would like to announce that Healthcare & Medical Investment Corporation (hereinafter, “HCM”) today decided on the borrowing of funds (hereinafter, the “Borrowing”) as follows.

Moreover, the Borrowing was procured as a “social loan” based on the social finance framework which acquired the JCR Social Finance Framework Evaluation of Japan Credit Agency.

For information on the JCR Social Finance Framework Evaluation, please see the press release “Notice Concerning the Issuance of Investment Corporation Bonds (Social Bond)” dated January 22, 2020.

Details

I. Overview of the Borrowing

1. Details of the Borrowing (scheduled)

Type	Lenders	Borrowing amount	Interest rate (Note 5)	Drawdown date	Borrowing method	Repayment date	Repayment method	Security
Long-term	Loan syndicate with Sumitomo Mitsui Banking Corporation as an arranger (Note 3)	1,250 million yen	Pending (Fixed interest Rate) (Note 6)	January 31, 2020	Borrowing based on the individual term loan agreement as of January 29, 2020, with the company on the left as a lender	January 31, 2023	Lump-sum repayment on principal repayment date	Unsecured and unguaranteed
	Loan syndicate with Sumitomo Mitsui Banking Corporation as an arranger (Note 4)	4,450 million yen	Base interest rate (1-month Japanese Yen TIBOR) + 0.45% (Note 7) (Note 8)			January 31, 2025		

(Note 1) The Borrowing is subject to the conclusion of a loan agreement which is reasonably satisfactory to the lenders above and the fulfillment of all of the conditions precedent to the lending as may be separately agreed upon.

(Note 2) The Borrowing is a procurement made through SDGs Social Loans provided by Sumitomo Mitsui Banking Corporation. The use of SDGs Social Loans is limited to operations that give consideration to social contribution, and SDGs Social Loans are only executed to projects by Sumitomo Mitsui Banking Corporation upon passing assessments of external evaluation organizations, meeting the social financing requirements, and confirming consistency with the Sustainable Development Goals (SDGs), all of which are based on the International Capital Market Association’s Social Bond Principles and Green and Social Bonds: A High-Level Mapping to the Sustainable Development Goals (SDGs).

(Note 3) The loan syndicate consists of Nippon Life Insurance Company, The 77 Bank, Ltd. The Dai-ichi Life Insurance Company, Limited, and The Hiroshima Bank, Ltd.

Reminder: This document is intended to publicly announce the borrowing of funds of the Investment Corporation and is not prepared for the purpose of investment solicitation.

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.

Healthcare & Medical Investment Corporation

(Note 4) The loan syndicate consists of Sumitomo Mitsui Trust Bank, Limited, Resona Bank, Limited, Sumitomo Mitsui Banking Corporation, Shinkin Central Bank, The Nishi-Nippon City Bank, Ltd. The Bank of Fukuoka, Ltd. The Mie Bank, Ltd. and Higashi-Nippon Bank, Ltd.

(Note 5) Loan fees and other fees to be paid to the lenders are not included.

(Note 6) The interest payment date will be the last day of January, April, July and October every year as well as the repayment day with April 30, 2020, as the first date of interest payment (whenever the interest payment date is not a business day, such payment will be made on the next business day; whenever the interest payment date falls on a day of the next month, such payment will be made on the last business day of the current month). Based on the term loan agreement that is scheduled to be concluded, the interest rate will be decided upon the base interest rate based on the interest swap rate two business days before the drawdown date. The interest rate will be announced once it is determined.

(Note 7) For the Japanese yen TIBOR published by Japanese Bankers Association (JBA) TIBOR Administration, please see the JBA TIBOR Administration's website (<http://www.jbatibor.or.jp/rate/english/>).

(Note 8) An interest rate swap agreement is scheduled to be concluded to fix the interest rate. Details of this interest rate swap agreement will be announced once it is determined.

2. Reason for the Borrowing

The Borrowing will be used for repayment of existing loans (hereinafter, the "Existing Loans") due for repayment on January 31, 2020, as listed below.

Type	Lender	Borrowing amount	Interest rate	Drawdown date	Repayment date	Repayment method	Security
Short-term	Sumitomo Mitsui Banking Corporation	1,000 million yen	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.25%	January 31, 2019	January 31, 2020	Lump-sum repayment on principal repayment date	Unsecured and unguaranteed
Long-term	Loan syndicate with Sumitomo Mitsui Banking Corporation as an arranger	3,700 million yen	0.54565% (note)	February 1, 2017			
		3,000 million yen	0.53520% (note)	March 21, 2017			

(Note) While this loan was borrowed under a variable interest rate, an interest rate swap agreement has been concluded to fix the interest rate, and the effects of the interest rate swap are taken into account in the recorded interest rate.

3. Amount, Use and Expenditure Date of Funds to Be Procured

(1) Amount of funds to be procured

5,700 million yen

(2) Specific use of the funds to be procured

The Borrowing will be used for repayment of existing loans as indicated in 2. Reason for Borrowing.

(3) Expenditure date

January 31, 2020

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HCM Healthcare & Medical Investment Corporation

4. Status of Loans, etc., After the Borrowing and Repayment of Existing Loans

(unit: million yen)

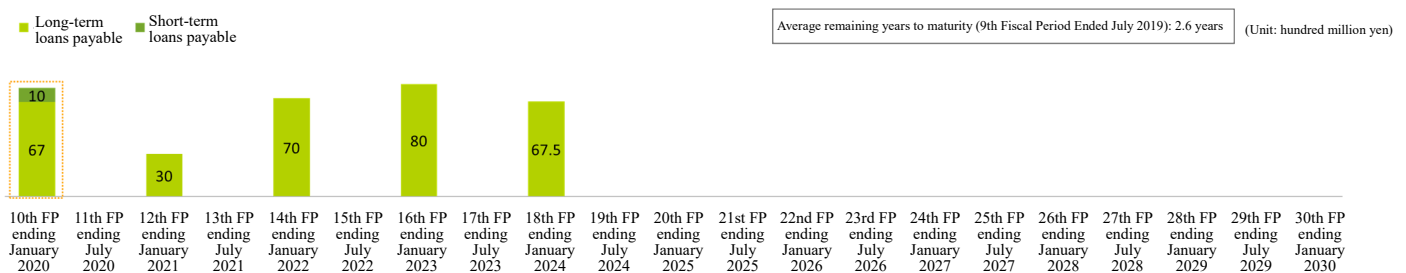
	Before the Borrowing and Repayment	After the Borrowing and Repayment	Change
Short-term loans payable (Note 1)	1,000	—	(1,000)
Current portion of long-term loans payable (Note 1)	6,700	3,000	(3,700)
Long-term loans payable (Note 1)	24,750	27,450	2,700
Total borrowings	32,450	30,450	(2,000)
Investment corporation bonds (Note 2)	—	2,000	2,000
Total borrowings and investment corporation bonds	32,450	32,450	—

(Note 1) Short-term loans payable are those which the period to the repayment day is one year or less, and current portion of long-term loans payable are those that are due for repayment within one year among those which the period to the repayment day is over one year. Long-term loans payable are those that are not due for repayment within one year among those which the period to the repayment day is over one year. “Before the Borrowing and Repayment” indicates the balance as of today and “After the Borrowing and Repayment” indicates the balance reflecting the change due to the issuance of investment corporation bonds and repayment of the Existing Loans as recorded in “Notice Concerning the Issuance of Investment Corporation Bonds (Social Bond),” announced today. The same applies hereinafter.

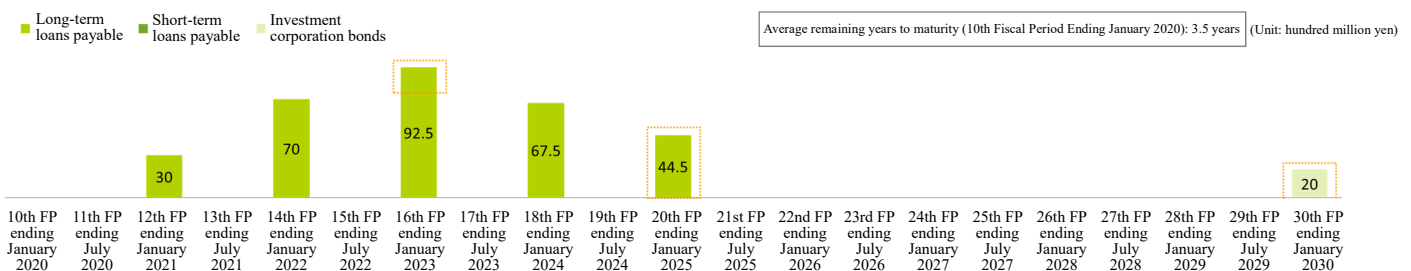
(Note 2) HCM expects to issue investment corporation bonds (social bond). For details, please see “Notice Concerning the Issuance of Investment Corporation Bonds (Social Bond)” announced today.

[Reference] Diversification Status of Interest-Bearing Debt Repayment Dates

① Before the Borrowing and Repayment



② After the Borrowing and Repayment



II. Other Items Necessary for Investors to Understand and Judge the Information Properly

For risk concerning repayment of the Borrowing, there is no change to the information contained in “Part I Fund Information/I. Status of Funds/3. Investment Risk” of the Securities Report submitted on October 30, 2019.

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

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