

This translation of the original Japanese Financial Report (*kessan tanshin*) is provided solely for information purposes. Should there be any discrepancy between this translation and the Japanese original, the latter shall prevail.

(REIT) Summary of Financial Report for Fiscal Period Ended January 2026

March 17, 2026

REIT Securities Issuer: Healthcare & Medical Investment Corporation (HCM) Stock Exchange Listing: Tokyo Stock Exchange
 Securities Code: 3455 URL: <https://hcm3455.co.jp/en/>
 Representative: Yuji Fujise, Executive Director

Asset Management Company: Healthcare Asset Management Co., Ltd.
 Representative: Hisatoshi Ishiwara, President & CEO
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Scheduled date of submission of securities report: April 27, 2026
 Scheduled date of commencement of distribution payment: April 21, 2026

Preparation of supplementary financial results briefing materials: Yes
 Holding of financial results briefing session: No

(Amounts are rounded down to the nearest million yen)

1. Status of Management and Assets for Fiscal Period Ended January 2026 (from August 1, 2025, to January 31, 2026)

(1) Management Status (% figures are the rate of period-on-period increase (decrease))

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Ended Jan. 2026	2,634	3.4	1,341	4.3	1,058	4.0	1,057	4.0
Ended Jul. 2025	2,547	1.0	1,286	1.0	1,017	(0.7)	1,017	(0.7)

Fiscal period	Net income per unit	Return on equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenue
	yen	%	%	%
Ended Jan. 2026	2,942	2.7	1.2	40.2
Ended Jul. 2025	2,829	2.6	1.2	40.0

(2) Distributions Status

	Distribution per unit (including distribution in excess of earnings)	Distribution per unit (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit	Total distributions (including distribution in excess of earnings)	Total distributions (excluding distribution in excess of earnings)	Total distributions in excess of earnings	Distribution payout ratio	Ratio of distributions to net assets
	yen	yen	yen	million yen	million yen	million yen	%	%
Ended Jan. 2026	3,286	2,942	344	1,181	1,057	123	100.0	2.7
Ended Jul. 2025	3,164	2,829	335	1,137	1,017	120	100.0	2.6

(Note 1) Total distributions in excess of earnings of 123million yen (344 yen per unit) for the fiscal period ended January 2026 are distribution reducing unitholders' capital for tax purposes. Total distributions in excess of earnings of 120million yen (335 yen per unit) for the fiscal period ended July 2025 are distribution reducing unitholders' capital for tax purposes.

(Note 2) The ratio of decreasing surplus due to execution of distribution in excess of earnings (distribution reducing unitholders' capital for tax purposes) was 0.004 for the fiscal period ended January 2026 and 0.004 for the fiscal period ended July 2025. The ratio of decreasing surplus is calculated based on Article 23, Paragraph 1, Item (v) of the Order for Enforcement of the Corporation Tax Act.

(3) Financial Position

Fiscal period	Total assets	Net assets	Equity ratio	Net assets per unit
	million yen	million yen	%	Yen
Ended Jan. 2026	88,786	38,706	43.6	107,666
Ended Jul. 2025	84,495	38,520	45.6	107,150

(4) Status of Cash Flows

Fiscal period	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Ended Jan. 2026	1,804	(4,037)	2,475	2,656
Ended Jul. 2025	1,616	(279)	(1,146)	2,413

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2. Earnings Forecast for the Fiscal Period Ending July 2026 (from February 1, 2026 to July 31, 2026) and Earnings Forecast for the Fiscal Period Ending January 2027 (from August 1, 2026 to January 31, 2027).

(% figures are the rate of period-on-period increase (decrease))

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income		Distribution per unit (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit	Distribution per unit (including distribution in excess of earnings)
	million yen	%	million yen	%	million yen	%	million yen	%	yen	yen	yen
Ending Jul. 2026	2,656	0.9	1,341	(0.0)	1,011	(4.4)	1,010	(4.4)	2,812	348	3,160
Ending Jan. 2027	2,656	(0.0)	1,340	(0.1)	998	(1.4)	997	(1.4)	2,774	346	3,120

(Reference) Forecast net income per unit (fiscal period ending July 2026) 2,812 yen

Forecast net income per unit (fiscal period ending January 2027) 2,774 yen

* Other

(1) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatement

- 1) Changes in accounting policies accompanying amendments to accounting standards, etc.: No
- 2) Changes in accounting policies other than ①: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(2) Total Number of Investment Units Issued and Outstanding

1) Total number of investment units issued and outstanding (including treasury investment units) at end of period

Fiscal period ended January 2026 359,500 units Fiscal period ended July 2025 359,500 units

2) Number of treasury investment units at end of period

Fiscal period ended January 2026 - units Fiscal period ended July 2025 - units

* This summary of financial report is exempt from the audit by a certified public accountant or an auditing firm.

* Special note

This forecast is a future prospect determined by HCM based on information currently available and includes many uncertain factors. Actual operating revenue, operating income, ordinary income, net income, distribution per unit (excluding distribution in excess of earnings), distribution in excess of earnings per unit and distribution per unit (including distribution in excess of earnings) are subject to change due to changes in circumstances. In addition, the forecast is not a guarantee of the amount of distribution and distribution in excess of earnings. For the assumptions underlying the above forecast, please see "Assumptions Underlying Earnings Forecast for Fiscal Period Ending July 2026 and Fiscal Period Ending January 2027" on pages 5 and 6.

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1. Management Status

(1) Management Status

1) Overview of the Current Fiscal Period

(a) Performance

During the current fiscal period, HCM acquired “Hoshigaoka Doctors Building” and “Sunny Life Funabashi” for a total acquisition price of 2,953 million yen on September 1, 2025, “Medical Rehabilitation Home Kurara Keio Higashi-Fuchu” for an acquisition price of 825 million yen on October 1, 2025.

As of the end of the current fiscal period, HCM owns 57 properties with a total leasable area of 240,416.52 m², and the operational rate stands at 100%.

2) Overview of Financing

In the current fiscal period, HCM borrowed 2,950 million yen on September 1, 2025 and 800 million yen on October 1, 2025 to cover part of the acquisition and costs for the above three properties, and refinanced 1,170 million yen in loans that were due for repayment on December 20, 2025 and 6,400 million yen in loans that were due for repayment on January 31, 2026.

Unitholders’ capital (net) (Note) at the end of the current fiscal period stands at 37,018 million yen, the total number of investment units issued and outstanding stands at 359,500 units, and total interest-bearing liabilities stand at 46,570 million yen.

(Note) The figure indicates the amount obtained by subtracting the deduction from unitholders’ capital from unitholders’ capital. The amount does not take into account the change in unitholders’ capital in line with the implementation of distribution in excess of earnings of allowance for temporary difference adjustments.

As of the end of the current fiscal period, the ratio of interest-bearing liabilities to total assets (hereinafter, “LTV”) is 52.5%.

HCM’s rating as of January 31, 2026 is as follows.

Rating Agency	Rating Category	Rating	Outlook
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating	A+	Stable

3) Significant Subsequent Events

Not applicable.

4) Earnings Forecast Outlook

HCM forecasts the following earnings for the fiscal period ending July 2026 (from February 1, 2026 to July 31, 2026) and January 2027 (from August 1, 2026 to January 31, 2027). For the assumptions underlying this outlook, please see “Assumptions Underlying Earnings Forecast for Fiscal Period Ending July 2026 and Fiscal Period Ending January 2027” below.

Fiscal period ending July 2026 (from February 1, 2026 to July 31, 2026)

Operating revenue	2,656 million yen
Operating income	1,341 million yen
Ordinary income	1,011 million yen
Net income	1,010 million yen
Distribution per unit (excluding distribution in excess of earnings)	2,812 yen
Distribution in excess of earnings per unit	348 yen
Distribution per unit (including distribution in excess of earnings)	3,160 yen

Fiscal period ending January 2027 (from August 1, 2026 to January 31, 2027)

Operating revenue	2,656 million yen
Operating income	1,340 million yen
Ordinary income	998 million yen

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Net income	997 million yen
Distribution per unit (excluding distribution in excess of earnings)	2,774 yen
Distribution in excess of earnings per unit	346 yen
Distribution per unit (including distribution in excess of earnings)	3,120 yen

(Note) Please note that actual operating revenue, operating income, ordinary income, net income, distribution per unit (excluding distribution in excess of earnings), distribution in excess of earnings per unit and distribution per unit (including distribution in excess of earnings) may differ from the forecast figures above as a result of discrepancies from assumptions arising due to additional real estate acquisition or sale in the future, trends in the real estate market, fluctuation of interest rates and changes in other situations surrounding HCM, among other factors. In addition, the forecast is not a guarantee of the amount of distribution or distribution in excess of earnings.

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Assumptions Underlying Earnings Forecast for Fiscal Period Ending July 2026 and Fiscal Period Ending January 2027

Item	Assumptions															
Accounting period	<ul style="list-style-type: none"> Fiscal period ending July 2026 (23rd FP) (from February 1, 2026 to July 31, 2026) (181 days) Fiscal period ending January 2027 (24th FP) (from August 1, 2026 to January 31, 2027) (184 days) 															
Assets under management	<ul style="list-style-type: none"> In the current fiscal period, it is assumed that there will be no changes (acquisition of new properties, sale of the assets under management, etc.) in the trust beneficiary interests in real estate (57 properties in total) and equity interest in anonymous partnership owned by HCM (hereinafter, the "Assets Under Management") through to the end of the fiscal period ending January 2027. There may actually be changes due to acquisition of new properties, or sale of the Assets Under Management, etc. in the future. 															
Operating revenue	<ul style="list-style-type: none"> Lease business revenue from Assets Under Management is calculated by considering and analyzing such factors as the lease agreement of each Asset Under Management effective as of the date of this document, tenant trends and market conditions. It is assumed that there will be no default or non-payment of rents by tenants. 															
Operating expenses	<ul style="list-style-type: none"> The main breakdown of expenses related to rent business, the major component of operating expense, is as follows. <table border="1" data-bbox="414 705 1428 907"> <thead> <tr> <th></th> <th>Fiscal period ending July 2026</th> <th>Fiscal period ending January 2027</th> </tr> </thead> <tbody> <tr> <td>Property tax</td> <td>189 million yen</td> <td>189 million yen</td> </tr> <tr> <td>Repair expenses</td> <td>39 million yen</td> <td>36 million yen</td> </tr> <tr> <td>Depreciation</td> <td>624 million yen</td> <td>622 million yen</td> </tr> <tr> <td>Other expenses related to rent business</td> <td>77 million yen</td> <td>76 million yen</td> </tr> </tbody> </table> Out of the expenses related to rent business, the major component of operating expense, expenses other than depreciation are calculated based on the past figures and by reflecting factors for change in expenses. In purchasing and selling real estate in general, property tax and city planning tax are calculated on a pro rata basis with previous owners and settled at the time of acquisition, but as HCM includes this settlement money in acquisition cost, they are not recorded as expenses in the year of acquisition. Accordingly, property tax and city planning tax of the Assets to Be Acquired in the fiscal period ending January 2026 will be recorded as expenses from the fiscal period ending July 2026. For repair expenses, the Asset Management Company records the expenses it deems necessary for each property in each operating period. However, as repair expenses may increase or decrease, or additional repair may be required due to unpredictable factors, actual expenses may differ significantly from the forecast. The amount of capital expenditure is assumed to be 298 million yen for the fiscal period ending July 2026 and 321 million yen for the fiscal period ending January 2027. Depreciation is calculated by using the straight-line method including ancillary expenses. The asset management fee paid to the Asset Management Company is assumed to be 253 million yen for the fiscal period ending July 2026 and 256 million yen for the fiscal period ending January 2027. 		Fiscal period ending July 2026	Fiscal period ending January 2027	Property tax	189 million yen	189 million yen	Repair expenses	39 million yen	36 million yen	Depreciation	624 million yen	622 million yen	Other expenses related to rent business	77 million yen	76 million yen
	Fiscal period ending July 2026	Fiscal period ending January 2027														
Property tax	189 million yen	189 million yen														
Repair expenses	39 million yen	36 million yen														
Depreciation	624 million yen	622 million yen														
Other expenses related to rent business	77 million yen	76 million yen														
Non-operating expenses	<ul style="list-style-type: none"> Investment corporation bond issuance costs associated with the issuance of investment corporation bonds are amortized using the straight-line method over the period up to redemption, and are assumed to be 1 million yen in the fiscal period ending July 2026 and 1 million yen in the fiscal period ending January 2027. Interest expenses, interest expenses on investment corporation bonds and other borrowing expenses are assumed to be 330 million yen for the fiscal period ending July 2026 and 345 million yen for the fiscal period ending January 2027. 															
Interest-bearing liabilities	<ul style="list-style-type: none"> As of the date of the document, HCM has a balance of interest-bearing liabilities of 46,570 million yen. It is assumed that there will be no change in the balance of interest-bearing liabilities at the end of the fiscal period ending July 2026 and the fiscal period ending January 2027, with an assumption that 800 million yen of loans (repayment date: October 1, 2026), 1,170 million yen of loans (repayment date: December 1, 2026) and 5,900 million yen of loans (repayment date: January 31, 2027) will be refinanced for the same amount. 															
Investment units	<ul style="list-style-type: none"> The total number of investment units issued and outstanding is assumed to be 359,500 units as of the date of this document, and it is assumed that there will be no change in the number of investment units due to issuance of new investment units, etc. through to the end of the fiscal period ending January 2027. Distribution per unit is calculated based on the forecast number of units issued and outstanding at the end of period of 359,500 units for the fiscal period ending July 2026 and for the fiscal period ending January 2027. 															
Distribution per unit (excluding distribution in excess of earnings)	<ul style="list-style-type: none"> Distribution per unit (excluding distribution in excess of earnings) is calculated on the premise of the cash distribution policy provided in the Articles of Incorporation of HCM. Distribution per unit (excluding distribution in excess of earnings) may vary due to various factors, including fluctuation in rent revenue accompanying change in Assets Under Management, change in tenants, etc. or incurrence of unexpected repairs. 															

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Item	Assumptions
Distribution in excess of earnings per unit	<ul style="list-style-type: none"> • Distribution in excess of earnings per unit is calculated pursuant to the policies provided in the Articles of Incorporation of HCM, policies provided below, other applicable laws and regulations, rules of self-regulatory organizations, etc. The total amount of distribution in excess of earnings is assumed to be 125 million yen for the fiscal period ending July 2026 and 124 million yen for the fiscal period ending January 2027. • The total amount of distribution in excess of earnings is distributed up to the amount equivalent to 20% of the depreciation recorded in the accounting period immediately before the accounting period when HCM will pay said distribution, sufficiently taking into consideration the amount of capital expenditure necessary for maintaining and improving the competitiveness of HCM's Assets Under Management and the financial position of HCM. • However, distribution in excess of earnings may be conducted up to an amount lower than the above amount or may not be conducted when the implementation of distribution in excess of earnings up to the said amount is judged to be inappropriate based on the economic environment surrounding HCM, trends of the real estate market and leasing market, status of HCM's assets under management and financial conditions.
Other	<ul style="list-style-type: none"> • The assumption is that there will be no revision of laws and regulations, tax systems, accounting standards, securities listing regulations set forth by Tokyo Stock Exchange, inc. rules of The Investment Trusts Association, Japan, etc. that will impact the forecast figures above. • The assumption is that there will be no unforeseen serious change in general economic trends, real estate market conditions, etc.

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2. Financial Statements

(1) Balance Sheet

(Unit: thousands of yen)

	Previous fiscal period (As of Jul. 31, 2025)	Current fiscal period (As of Jan. 31, 2026)
Assets		
Current assets		
Cash and deposits	2,343,523	2,524,496
Cash and deposits in trust	264,904	317,530
Operating accounts receivable	45,254	46,654
Prepaid expenses	136,529	160,719
Corporate income taxes refund receivable	243	742
Consumption taxes receivable	-	10,240
Derivative receivables	12,710	72,306
Total current assets	2,803,166	3,132,692
Non-current assets		
Property, plant and equipment		
Buildings in trust	42,928,294	44,657,650
Accumulated depreciation	(8,257,967)	(8,838,264)
Buildings in trust, net	34,670,327	35,819,386
Structures in trust	141,533	145,090
Accumulated depreciation	(31,478)	(34,308)
Structures in trust, net	110,054	110,781
Machinery and equipment in trust	20,956	20,956
Accumulated depreciation	(11,584)	(12,632)
Machinery and equipment in trust, net	9,371	8,323
Tools, furniture and fixtures in trust	511,363	531,752
Accumulated depreciation	(320,562)	(355,464)
Tools, furniture and fixtures in trust, net	190,800	176,288
Land in trust	45,694,611	48,143,698
Construction in progress in trust	-	6,490
Total property, plant and equipment	80,675,165	84,264,968
Intangible assets		
Software	1,141	815
Total intangible assets	1,141	815
Investments and other assets		
Security deposits	10,000	10,000
Investment securities	202,332	197,018
Long-term prepaid expenses	275,142	325,255
Derivative receivables	519,531	846,976
Deferred tax assets	13	13
Total investments and other assets	1,007,020	1,379,264
Total non-current assets	81,683,326	85,645,048
Deferred assets		
Investment corporation bond issuance costs	9,366	8,326
Total deferred assets	9,366	8,326
Total assets	84,495,860	88,786,067

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(Unit: thousands of yen)

	Previous fiscal period (As of Jul. 31, 2025)	Current fiscal period (As of Jan. 31, 2026)
Liabilities		
Current liabilities		
Operating accounts payable	17,017	68,279
Short-term loans payable	1,170,000	1,970,000
Current portion of long-term loans payable	6,400,000	5,900,000
Accounts payable - other	105,328	85,976
Accrued expenses	281,112	290,923
Income taxes payable	688	690
Consumption taxes payable	11,405	5,888
Advances received	418,858	434,872
Deposits received	162	2,636
Total current liabilities	8,404,573	8,759,266
Non-current liabilities		
Investment corporation bonds	2,000,000	2,000,000
Long-term loans payable	33,250,000	36,700,000
Tenant leasehold and security deposits	1,958,082	2,145,604
Tenant leasehold and security deposits in trust	194,616	185,512
Deferred tax liabilities	167,443	289,206
Other	522	365
Total non-current liabilities	37,570,664	41,320,689
Total liabilities	45,975,237	50,079,955
Net assets		
Unitholders' equity		
Unitholders' capital	38,323,799	38,323,799
Deduction from unitholders' capital	(1,185,223)	(1,305,656)
Unitholders' capital, net	37,138,576	37,018,143
Surplus		
Unappropriated retained earnings (undisposed loss)	1,017,248	1,057,891
Total surplus	1,017,248	1,057,891
Total unitholders' equity	38,155,824	38,076,034
Valuation and translation adjustments		
Deferred gains or losses on hedges	364,798	630,076
Total valuation and translation adjustments	364,798	630,076
Total net assets	38,520,622	38,706,111
Total liabilities and net assets	84,495,860	88,786,067

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(2) Statement of Income

(Unit: thousands of yen)

	Previous fiscal period From: Feb. 1, 2025 To: Jul. 31, 2025	Current fiscal period From: Aug. 1, 2025 To: Jan. 31, 2026
Operating revenue		
Leasing business revenues	2,534,089	2,619,972
Other revenue related to leasing business	10,642	11,218
Gain on investments in anonymous partnerships	3,219	2,987
Total operating revenue	2,547,951	2,634,178
Operating expenses		
Expenses related to leasing business	895,266	912,255
Asset management fee	240,644	246,548
Asset custody fee	2,952	3,038
Administrative service fees	19,005	19,488
Directors' compensation	5,400	5,400
Property tax	36,052	37,131
Other operating expenses	62,478	68,454
Total operating expenses	1,261,799	1,292,317
Operating income	1,286,151	1,341,860
Non-operating income		
Interest income	1,143	2,013
Insurance income	279	-
Reversal of distributions payable	836	819
Miscellaneous income	-	8,276
Total non-operating income	2,259	11,109
Non-operating expenses		
Interest expenses	197,718	217,579
Interest expenses on investment corporation bonds	7,800	7,800
Amortization of investment corporation bond issuance costs	1,040	1,040
Borrowing expenses	63,373	67,989
Other	558	-
Total non-operating expenses	270,491	294,410
Ordinary income	1,017,919	1,058,559
Income before income taxes	1,017,919	1,058,559
Income taxes - current	885	891
Income taxes - deferred	0	(0)
Total income taxes	885	891
Net income	1,017,033	1,057,668
Retained earnings brought forward	214	222
Unappropriated retained earnings (undisposed loss)	1,017,248	1,057,891

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(3) Statement of Unitholders' Equity

Previous fiscal period (from February 1, 2025, to July 31, 2025)

(Unit: thousands of yen)

	Unitholders' equity					
	Unitholders' capital			Surplus		Total unitholders' equity
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Unappropriated retained earnings (undisposed loss)	Total surplus	
Balance at beginning of current period	38,323,799	(1,065,510)	37,258,289	1,024,789	1,024,789	38,283,078
Changes of items during period						
Dividends of surplus				(1,024,575)	(1,024,575)	(1,024,575)
Distributions in excess of earnings from other distributions		(119,713)	(119,713)			(119,713)
Net income				1,017,033	1,017,033	1,017,033
Changes of items other than unitholders' equity during period, net						
Total changes of items during the period	-	(119,713)	(119,713)	(7,541)	(7,541)	(127,254)
Balance at end of current period	38,323,799	(1,185,223)	37,138,576	1,017,248	1,017,248	38,155,824

(Unit: thousands of yen)

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	319,321	319,321	38,602,400
Changes of items during period			
Dividends of surplus			(1,024,575)
Distributions in excess of earnings from other distributions			(119,713)
Net income			1,017,033
Changes of items other than unitholders' equity during period, net	45,476	45,476	45,476
Total changes of items during the period	45,476	45,476	(81,778)
Balance at end of current period	364,798	364,798	38,520,622

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Current fiscal period (from August 1, 2025, to January 31, 2026)

(Unit: thousands of yen)

	Unitholders' equity					
	Unitholders' capital			Surplus		Total unitholders' equity
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Unappropriated retained earnings (undisposed loss)	Total surplus	
Balance at beginning of current period	38,323,799	(1,185,223)	37,138,576	1,017,248	1,017,248	38,155,824
Changes of items during period						
Dividends of surplus				(1,017,025)	(1,017,025)	(1,017,025)
Distributions in excess of earnings from other distributions		(120,432)	(120,432)			(120,432)
Net income				1,057,668	1,057,668	1,057,668
Changes of items other than unitholders' equity during period, net						
Total changes of items during the period	-	(120,432)	(120,432)	40,642	40,642	(79,789)
Balance at end of current period	38,323,799	(1,305,656)	37,018,143	1,057,891	1,057,891	38,076,034

(Unit: thousands of yen)

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	364,798	364,798	38,520,622
Changes of items during period			
Dividends of surplus			(1,017,025)
Distributions in excess of earnings from other distributions			(120,432)
Net income			1,057,668
Changes of items other than unitholders' equity during period, net	265,278	265,278	265,278
Total changes of items during the period	265,278	265,278	185,489
Balance at end of current period	630,076	630,076	38,706,111

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(4) Statement of Cash Distributions

(Unit: yen)

Type	Previous fiscal period From: Feb. 1, 2025 To: Jul. 31, 2025	Current fiscal period From: Aug. 1, 2025 To: Jan. 31, 2026
I. Unappropriated retained earnings	1,017,248,047	1,057,891,022
II. Distribution in excess of earnings	120,432,500	123,668,000
Deduction from unitholders' capital	120,432,500	123,668,000
III. Distributions	1,137,458,000	1,181,317,000
[Distributions per unit]	[3,164]	[3,286]
Distributions of earnings	1,017,025,500	1,057,649,000
[Distributions of earnings per unit]	[2,829]	[2,942]
Distributions in excess of earnings from other distributions	120,432,500	123,668,000
[Distributions in excess of earnings per unit (Distributions in excess of earnings from other distributions)]	[335]	[344]
IV. Retained earnings carried forward	222,547	242,022

(Note 1) Distributions in excess of earnings are distributed up to the amount equivalent to 20% of the depreciation recorded in the accounting period immediately before the accounting period when HCM will pay said distributions, sufficiently taking into consideration the amount of capital expenditure necessary for maintaining and improving the competitiveness of HCM's assets under management, the financial position of HCM and other factors.

However, distributions in excess of earnings may be conducted up to an amount lower than the above amount or may not be conducted when the implementation of distributions in excess of earnings up to the said amount is judged to be inappropriate based on the economic environment surrounding HCM, trends of the real estate market and leasing market, status of HCM's assets under management and financial conditions.

(Note 2) Under the rules of The Investment Trusts Association, closed-end investment corporations are allowed to conduct distributions in excess of earnings up to an amount equivalent to 60% of the depreciation recorded on the last day of the accounting period.

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(5) Statement of Cash Flows

(Unit: thousands of yen)

	Previous fiscal period From: Feb. 1, 2025 To: Jul. 31, 2025	Current fiscal period From: Aug. 1, 2025 To: Jan. 31, 2026
Cash flows from operating activities		
Income before income taxes	1,017,919	1,058,559
Depreciation	602,987	619,614
Amortization of investment corporation bond issuance costs	1,040	1,040
Borrowing expenses	63,373	67,989
Interest income	(1,143)	(2,013)
Interest expenses	205,518	225,379
Decrease (increase) in operating accounts receivable	1,667	(1,400)
Decrease (increase) in consumption taxes receivable	-	(10,240)
Decrease (increase) in prepaid expenses	(1,271)	(2,302)
Increase (decrease) in operating accounts payable	(44,793)	51,261
Increase (decrease) in accounts payable - other	(8,856)	2,069
Increase (decrease) in consumption taxes payable	(10,665)	(5,516)
Increase (decrease) in accrued expenses	(382)	6,957
Increase (decrease) in advances received	1,303	16,013
Decrease (increase) in long-term prepaid expenses	(3,148)	5,767
Increase (decrease) in deposits received	(498)	2,473
Decrease (Increase) in investment securities	(1,800)	228
Increase (decrease) tenant leasehold and security deposits in trust	-	(9,104)
Other, net	449	(851)
Subtotal	1,821,700	2,025,927
Interest income received	1,143	2,013
Interest expenses paid	(205,521)	(222,525)
Income taxes paid	(1,306)	(1,388)
Net cash provided by (used in) operating activities	1,616,016	1,804,026
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(181,796)	(4,229,700)
Proceeds from tenant leasehold and security deposits	-	190,522
Repayments of tenant leasehold and security deposits	-	(3,000)
Proceeds from repayment of investment securities	2,880	5,085
Proceeds from purchase of investment securities	(100,920)	-
Net cash provided by (used in) investing activities	(279,836)	(4,037,092)
Cash flows from financing activities		
Proceeds from restricted deposits in trust	-	9,104
Proceeds from short-term loans payable	-	1,970,000
Repayments of short-term loans payable	-	(1,170,000)
Proceeds from long-term loans payable	-	9,350,000
Repayments of long-term loans payable	-	(6,400,000)
Borrowing expenses	(1,807)	(145,757)
Dividends paid	(1,144,530)	(1,137,576)
Net cash provided by (used in) financing activities	(1,146,338)	2,475,770
Net increase (decrease) in cash and cash equivalents	189,841	242,704
Cash and cash equivalents at beginning of period	2,223,970	2,413,811
Cash and cash equivalents at end of period	2,413,811	2,656,515

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3. Reference Information

(1) Information on Prices of Assets Under Management, Etc.

1) Investment Status

Asset type	Asset use		Area	Current fiscal period (as of January 31, 2026)	
				Total amount owned (millions of yen) (Note 1)	As a percentage of total assets (%) (Note 2)
Trust beneficiary interests in real estate	Homes and facilities for the elderly	Paid nursing home	Three Major Metropolitan Areas (Note 3)	54,287	61.1
			Core Cities (Note 4)	8,469	9.5
			Other Areas (Note 5)	1,595	1.8
		Serviced housing for the elderly	Three Major Metropolitan Areas (Note 3)	2,776	3.1
			Core Cities (Note 4)	2,402	2.7
			Other Areas (Note 5)	-	-
		Group homes for the elderly with dementia		-	-
		Other facilities for the elderly		-	-
		Subtotal		69,530	78.3
		Medical service-related facilities	Three Major Metropolitan Areas (Note 3)		-
	Core Cities (Note 4)		2,032	2.3	
	Other Areas (Note 5)		-	-	
	Subtotal		2,032	2.3	
	Multi-use facilities	Complex of paid nursing homes, medical service- related facilities	Three Major Metropolitan Areas (Note 3)	12,701	14.3
			Core Cities (Note 4)	-	-
			Other Areas (Note 5)	-	-
			Subtotal	12,701	14.3
	Other		-	-	
	Total		84,264	94.9	
	Investment securities (Note 6)			197	0.2
Deposits and other assets			4,324	4.9	
Total assets			88,786	100.0	
Total liabilities			50,079	56.4	
Total net assets			38,706	43.6	

(Note 1) "Total amount owned" is the carrying amount (in the case of trust beneficiary interests in real estate, the book value after depreciation and amortization).

(Note 2) Figures in "As a percentage of total assets" are rounded to second decimal place.

(Note 3) "Three Major Metropolitan Areas" refers to the Tokyo Metropolitan Area (Tokyo, Kanagawa, Saitama, Chiba prefectures), Kinki Area (Osaka, Kyoto, Hyogo prefectures) and Chubu Area (Aichi prefecture).

(Note 4) "Core Cities" refers to designated cities, prefectural capitals and regional core cities other than the Three Major Metropolitan Areas. Regional core cities refers to cities with a population of 200,000 or more.

(Note 5) "Other Areas" refers to areas other than the Three Major Metropolitan Areas and Core Cities.

(Note 6) "Investment securities" are anonymous partnership interests in HC Shukugawa GK and HC TURF GK.

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2) Investment Assets

(a) Major Investment Securities

Major Investment Securities that HCM owns as of January 31, 2026, is as follows.

Type of Assets	Name	Carrying amount	Appraisal amount (Note 1)	As a percentage of total assets (%)	Note
Anonymous Partnership Equity Interest	HC Shukugawa GK Anonymous Partnership Equity Interest	98,352	98,352	0.1	(Note 2)
Anonymous Partnership Equity Interest	HC TURF GK Anonymous Partnership Equity Interest	98,666	98,666	0.1	(Note 3)

(Note 1) The appraisal amount is the carrying amount.

(Note 2) The asset under management is a quasi co-ownership interest (98% interest) in the trust beneficiary interest in Charm Suite Shukugawa.

(Note 3) The asset under management is a quasi co-ownership interest in the trust beneficiary interests in Sunny Life Shinkotoni, Nerimayahara CarePark SOYOKAZE, Medical Rehabilitation Home Granda Toyotamotomachi, SAWAYAKA Higashiosaka Kan, SAWAYAKA Himeji Kan and SAWAYAKA Seaside Kukinoumi.

(b) Investment Real Estate Properties

Not applicable.

(c) Other Major Investment Assets

a. Overview of Real Estate in Trust

Overview of trust beneficiary interests in real estate (hereinafter, "real estate in trust") that HCM owns as of January 31, 2026, is as follows.

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(i) Acquisition prices, etc. and shares of investment

Overview of trust beneficiary interests in real estate that HCM owns as of January 31, 2026, is as follows.

Type of specified asset	Area	Property name	Acquisition price (millions of yen) (Note 1)	Share of investment (%) (Note 2)	Carrying amount (millions of yen) (Note 3)	Period-end appraisal value (millions of yen) (Note 4)
Trust beneficiary interests in real estate	Tokyo Metropolitan Area	Bonsejour Chitose-funabashi	824	1.0	786	997
		Bonsejour Hino	724	0.8	684	834
		Bonsejour Musashi-shinjo	582	0.7	551	643
		Medical Rehabilitation Home Bonsejour Hadanoshibusawa	728	0.8	647	867
		ASHEIM Hikarigaoka	1,385	1.6	1,352	1,510
		ASHEIM Bunkyoakusan	1,430	1.7	1,385	1,880
		SOMPO CARE La vie Re Machidaonaji	3,580	4.1	3,200	4,290
		SOMPO CARE La vie Re Azamino	3,050	3.5	2,806	3,430
		GOOD TIME HOME Fudo-mae	1,740	2.0	1,786	2,040
		Rehabilitation Home Bonsejour Yotsugi	824	1.0	789	904
		Granda Tsuruma-Yamato	1,000	1.2	1,006	1,020
		Smiling Home Medice Adachi	2,253	2.6	2,216	2,650
		Hanakotoba Minami	1,071	1.2	1,073	1,210
		Hanakotoba Miura	615	0.7	646	670
		SOMPO CARE La vie Re Hama-Kawasaki	1,710	2.0	1,662	1,830
		Hanakotoba Shin-Yokohama	2,071	2.4	2,051	2,600
		Hanakotoba Shin-Yokohama II	375	0.4	383	437
		Hanakotoba Odawara	880	1.0	927	953
		Sunny Life Kita-Shinagawa	1,825	2.1	1,805	2,090
		Sunny Life Kamakura	1,418	1.6	1,416	1,570
		Nichii Home Nishikokubunji	720	0.8	760	768
		Royal Kawaguchi	1,260	1.5	1,326	1,420
		Heartland Kawaguchi Meiseien	2,000	2.3	2,032	2,270
		Rehabilitation Home Granda Minamiurawa	1,022	1.2	1,059	1,100
		Madoka Minamiurawa	822	0.9	862	882
		Nichii Maison Inage	1,508	1.7	1,604	1,670
		Hanakotoba Oppama	500	0.6	555	515
		TSUKUI SUNSHINE YOKOHAMA TOTSUKA	1,150	1.3	1,214	1,190
	Sunny Life Funabashi	2,133	2.5	2,248	2,230	
	Medical Rehabilitation Home Kurara Keio Higashi-Fuchu	825	1.0	856	849	
	Subtotal		40,026	46.2	39,702	45,319
	Kinki Area	AQUAMARINE Nishinomiyahama	1,950	2.3	1,779	2,130
		SOMPO CARE Sompo no ie S Awajiekimae	1,930	2.2	1,700	2,380
		SOMPO CARE Sompo no ie S Kobekamisawa	1,200	1.4	1,075	1,430
		Medical Home Bonsejour Itami	514	0.6	462	557
		Kobe Gakuentoshi Building	4,320	5.0	3,868	4,800
GreenLife Moriguchi		4,150	4.8	4,021	4,850	
Hapine Kobe Uozaki Nibankan		930	1.1	879	1,050	
SHIP Senri Building		12,920	14.9	12,701	14,700	
SOMPO CARE La vie Re Kobeikawadani		1,288	1.5	1,341	1,300	
SOMPO CARE Sompo no ie Sayama		600	0.7	641	647	

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Type of specified asset	Area	Property name	Acquisition price (millions of yen) (Note 1)	Share of investment (%) (Note 2)	Carrying amount (millions of yen) (Note 3)	Period-end appraisal value (millions of yen) (Note 4)	
		PD House Higashi-Osaka	693	0.8	735	745	
		Subtotal	30,495	35.2	29,208	34,589	
	Chubu Area	Hoshigaoka Doctor's Building	820	0.9	854	883	
		Subtotal	820	0.9	854	883	
	Core Cities	SAWAYAKA Tachibanakan	1,520	1.8	1,196	1,580	
		SAWAYAKA Mekarikan	1,380	1.6	1,099	1,460	
		AIKOEN ICHIBANKAN Building	770	0.9	733	826	
		Verde Minowa	1,620	1.9	1,561	1,770	
		Niigata Rehabilitation Hospital	2,060	2.4	2,032	2,280	
		NOAH GARDEN LEGEND	859	1.0	864	930	
		NOAH GARDEN L Grace	622	0.7	626	670	
		NOAH GARDEN Season Bell	1,350	1.6	1,394	1,580	
		NOAH GARDEN CASA RICH	1,619	1.9	1,617	1,760	
		NOAH GARDEN Building A	384	0.4	393	402	
		NOAH GARDEN Building B	280	0.3	289	292	
		NOAH GARDEN Villa	300	0.3	310	314	
		NOAH GARDEN Bloom View	736	0.9	784	770	
		Subtotal	13,500	15.6	12,903	14,634	
	Other Areas	SAWAYAKA Tagawakan	390	0.5	338	359	
		Verde Hotaka	1,328	1.5	1,257	1,600	
		Subtotal	1,718	2.0	1,595	1,959	
	Total (57 properties)			86,559	100.0	84,264	97,384

(Note 1) "Acquisition price" does not include acquisition-related expenses, property tax, city planning tax, consumption tax and local consumption tax.

(Note 2) "Share of investment" refers to the acquisition price of each property as a percentage of the total acquisition price, and the figures are rounded to second decimal place.

(Note 3) "Carrying amount" indicates book value after depreciation and amortization as of January 31, 2026.

(Note 4) "Period-end appraisal value" indicates amounts stated in the appraisal report with appraisal date of January 31, 2026, prepared by real estate appraisers of Japan Real Estate Institute, The Tanizawa Sogo Appraisal Co., Ltd., Rich Appraisal Institute Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd. and JLL Morii Valuation & Advisory K.K., based on the Articles of Incorporation of HCM and the rules set by the Investment Trusts Association, Japan.