Healthcare & Medical Investment Corporation

Independent Auditor's Report

July 31, 2026

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Independent Auditor's Report

To the Board of Directors of Healthcare & Medical Investment Corporation

The Audit of The Financial Statement

Opinion

We have audited the financial statements of Healthcare & Medical Investment Corporation (the Company), which comprise the balance sheet as at July 31, 2026, and the statement of income, statement of unitholders' equity, statement of cash distributions and statement of cash flows for the six months period then ended, and notes to financial statements and supplementary schedules.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2026, and its financial performance and its cash flows for the six months period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to audits of financial statements of public interest entities in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without qualifying our opinion, we draw attention to notes to financial statements "Significant Subsequent Events", which states that the Company issued new investment units, borrowed funds and acquired new assets.

Other Information

The other information comprises the information included in the semi-annual report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information. In addition, those charged with governance are responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

PricewaterhouseCoopers Japan LLC
Otemachi Park Building,
1-1-1 Otemachi, Chiyoda-ku, Tokyo 100-0004, Japan
Tel: +81 (3) 6212 6800 Fax: +81 (3) 6212 6801

www.pwc.com/jp

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Fee-Related Information

In connection with our audit of the financial statements for the six months period ended July 31, 2026, the amounts of fees for the audit and the other services charged to the Company by PricewaterhouseCoopers Japan LLC and other PwC Network firms are described in “3. Matters Concerning Directors” included in “Overview of HCM”.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Mitsuo Tsuruta

Designated Engagement Partner
Certified Public Accountant

Shotaro Nara

Designated Engagement Partner
Certified Public Accountant

October 27, 2026

23rd Fiscal Period
Semi-Annual Report

from February 1, 2026 to July 31, 2026

Healthcare & Medical Investment Corporation

To Our Unitholders

We would like to express our sincere gratitude for your continued support.

We are pleased to report on the management status of Healthcare & Medical Investment Corporation (hereinafter, "HCM") for the 23rd fiscal period (February 1, 2026, to July 31, 2026).

For the fiscal period under review, HCM recorded operating revenue of 2,659 million yen, operating income of 1,341 million yen, ordinary income of 1,016 million yen, and net income of 1,015 million yen. As a result, distributions per unit were 3,174 yen (including distributions in excess of earnings). For the 24th fiscal period, distributions per unit of 3,440 yen are forecast.

As of the end of the 23rd fiscal period, the portfolio consisted of 57 properties with an acquisition price base of 86.5 billion yen. The total appraisal value rose to 96.9 billion yen, and unrealized gains expanded to 13.0 billion yen. There were no rent reductions or payment deferrals, and the operational rate remained at 100%.

Ever since its listing, HCM has aimed to realize a society where all people can live vibrantly and with peace of mind through its continuous investment in and stable ownership of facilities and housing for the elderly and healthcare facilities such as medical service-related facilities, which are expected to see further growth in demand in line with the continued aging of society, over the long-term.

Although the environment surrounding HCM is undergoing significant changes, such as high real estate prices and rising interest rates, we will continue to aim for stable asset management by leveraging its discerning ability as a REIT specializing in healthcare and enhancing top-line earnings through investment in quality healthcare facilities, while also reviewing costs as necessary.

In the next fiscal period onward, we will continue to work to maximize unitholder value through continuous growth of our portfolio and securement of stable income based on fixed-rent long-term lease contracts with excellent operators and by proactively leveraging the specialized capabilities and know-how in the areas of "finance," "nursing care and medical services" and "real estate and fund management" with the support of our main sponsors, Sumitomo Mitsui Banking Corporation, SHIP HEALTHCARE HOLDINGS, INC., TOKYU LAND CORPORATION, NEC Capital Solutions Limited and Keihanshin Building Co., Ltd. We appreciate your continued support and patronage.

Yuji Fujise
Executive Director
Healthcare & Medical Investment Corporation

Hisatoshi Ishiwara
President & CEO
Healthcare Asset Management Co., Ltd.

Overview of Asset Management

1. Investment Performance of HCM

Operation Results and Financial Positions

By fiscal period		19th fiscal period From: Feb. 1 2024 To: Jul. 31 2024	20th fiscal period From: Aug. 1 2024 To: Jan. 31 2025	21st fiscal period From: Feb. 1 2025 To: Jul. 31 2025	22nd fiscal period From: Aug. 1 2025 To: Jan. 31 2026	23rd fiscal period From: Feb. 1 2026 To: Jul. 31 2026
Operating revenue	(millions of yen)	2,514	2,522	2,547	2,634	2,659
[Operating revenue from real estate leasing business]	(millions of yen)	2,514	2,521	2,544	2,631	2,655
Operating expenses	(millions of yen)	1,215	1,249	1,261	1,292	1,318
[Operating expenses from real estate leasing business]	(millions of yen)	859	877	895	912	934
Operating income	(millions of yen)	1,298	1,273	1,286	1,341	1,341
Ordinary income	(millions of yen)	1,055	1,025	1,017	1,058	1,016
Net income	(millions of yen)	1,054	1,024	1,017	1,057	1,015
Total assets	(millions of yen)	83,456	84,606	84,495	88,786	88,498
[Comparison with the previous fiscal period]	(%)	3.4	1.4	(0.1)	5.1	(0.3)
Net assets	(millions of yen)	38,649	38,602	38,520	38,706	38,512
[Comparison with the previous fiscal period]	(%)	0.3	(0.1)	(0.2)	0.5	(0.5)
Interest-bearing debts	(millions of yen)	41,650	42,820	42,820	46,570	46,570
Unitholders' capital, net (Note 3)	(millions of yen)	37,375	37,258	37,138	37,018	36,894
Total number of investment units issued and outstanding	(units)	359,500	359,500	359,500	359,500	359,500
Net asset value (NAV) per unit	(yen)	107,510	107,378	107,150	107,666	107,126
Total distributions	(millions of yen)	1,172	1,144	1,137	1,181	1,141
Distributions per unit	(yen)	3,261	3,183	3,164	3,286	3,174
[Distributions of earnings per unit]	(yen)	2,934	2,850	2,829	2,942	2,826
[Distributions in excess of earnings per unit]	(yen)	327	333	335	344	348
Ratio of ordinary income to total assets (Note 4)	(%)	1.3	1.2	1.2	1.2	1.1
[Annualized]	(%)	2.6	2.4	2.4	2.4	2.3
Return on equity (Note 4)	(%)	2.7	2.7	2.6	2.7	2.6
[Annualized]	(%)	5.5	5.3	5.3	5.4	5.3
Equity ratio at end of period (Note 4)	(%)	46.3	45.6	45.6	43.6	43.5
[Changes from the previous fiscal period]		(1.4)	(0.7)	(0.0)	(2.0)	(0.1)
Dividend payout ratio (Note 4)	(%)	100.0	100.0	100.0	100.0	100.0
Other Reference Information						
Number of operation days	(days)	182	184	181	184	181
Number of investment properties at end of period	(properties)	53	54	54	57	57
Depreciation	(millions of yen)	589	599	602	619	625
Capital expenditures (Note 5)	(millions of yen)	251	196	197	232	234
NOI (Net operating income) (Note 4)	(millions of yen)	2,243	2,243	2,252	2,338	2,346
FFO (Funds from operation) (Note 4)	(millions of yen)	1,644	1,622	1,616	1,674	1,637
FFO per unit (Note 4)	(yen)	4,573	4,513	4,497	4,657	4,555
LTV (Loan to value) (Note 4)	(%)	49.9	50.6	50.7	52.5	52.6

(Note 1) HCM's operating period is six months per fiscal period, from February 1 to July 31 and from August 1 to January 31 of the following year.

(Note 2) Unless otherwise stated, all amounts are rounded down to the nearest unit, and all percentages are rounded to the first decimal place.

(Note 3) 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 distributions in excess of earnings of allowance for temporary difference adjustments.

(Note 4) The following formulas are used in the calculation of their respective target values.

Ratio of ordinary income to total assets	Ordinary income / [(Total assets at beginning of period + Total assets at end of period) / 2] × 100
Return on equity	Net income / [(Net assets at beginning of period + Net assets at end of period) / 2] × 100
Equity ratio at end of period	Net assets at end of period / Total assets at end of period × 100
Dividend payout ratio	Dividend payout ratio = Distributions per unit (not including distributions in excess of earnings) / Net income per unit × 100
NOI (Net operating income)	Real estate leasing business revenue - Real estate leasing business expenses + Depreciation for investment and leasing properties
FFO (Funds from operation)	Net income + Depreciation – Gain on investments in anonymous partnerships – Gain or loss on sales of real estate
FFO per unit	FFO / Total number of investment units issued and outstanding
LTV (Loan to value)	Interest-bearing debts / Total assets at end of period × 100

(Note 5) Capital expenditures for investment and leasing properties are shown.

2. State of Asset Management in the Period

(1) Brief History of HCM

HCM was established under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter, the “Investment Trust Act”) with Healthcare Asset Management Co., Ltd. (hereinafter, the “Asset Management Company” or “HAM”) as the organizer on December 9, 2014. HCM was listed on the Real Estate Investment Trust Securities Market of Tokyo Stock Exchange, Inc. (hereinafter, the “Tokyo Stock Exchange”) on March 19, 2015 (securities code: 3455).

The total number of investment units issued and outstanding as of the end of the fiscal period ended July 2026 (February 1, 2026 to July 31, 2026) (hereinafter, the “23rd fiscal period” or the “current fiscal period”) stands at 359,500 units.

(2) Investment Environment and Performance

a. Investment Environment

HCM was established as a result of the social challenge in which expansion and enhancement of nursing care services and medical services by healthcare facilities has become an urgent issue due to the increasing healthcare requirements of aging populations within developed nations, where both the number and proportion of elderly people in the total population are expected to continue increasing for the foreseeable future, and this challenge is further magnified by a continuing nursing care shortage.

In addition, the "Housing Life Basic Plan (nationwide plan)," approved by the Cabinet on March 27, 2026, sets performance indicators aimed at rebuilding the foundations supporting housing and residential life so that people can secure housing suited to their lifestyles at different stages of life in the era of 100-year life expectancies without excessive financial burdens. One such indicator is to increase the number of housing units that support living in old age from 1.08 million units in 2023 to 1.50 million units by 2035.

HCM invests in and owns healthcare facilities, for which social demand is growing, in a stable manner to promote appropriate maintenance/management and new supply of such facilities. By doing so, HCM seeks to realize a society where all people can live vibrantly and with peace of mind, as well as to secure stable income and to achieve steady growth of its portfolio.

b. Performance

With regards to the Japanese economy, although personal consumption has stalled, the economy has remained resilient due to the expansion of inbound demand as well as improvements in the employment and income environment. On the other hand, we need to continue to monitor the impact of the situation in the Middle East and fluctuations in the financial and capital markets.

During the current fiscal period, HCM made no acquisition or disposition of assets.

As of the end of the current fiscal period, HCM owns 57 properties with a total leasable area of 240,416.52 m^2, and the operational rate stands at 100.0%.

In addition, in December 2021, HAM established the "Sustainability Promotion System Regulations" and the ESG Committee in order to implement the "Basic Policy on ESG" in September 2018. As a result of its sustainability promotion activities, HCM received a "1 Star" rating in the GRESB Real Estate Assessment 2025 Survey, an international benchmark assessment that measures ESG considerations, and an "A Level" in the GRESB Disclosure Assessment, the highest level of the five-level rating system, and "4 star" rating in the DBJ Green Building Certification (Healthcare Edition). In order to realize the philosophy of HCM, "A society where all people can live vibrantly and with peace of mind," HAM aims to contribute to the aged society and maximize unitholder value over the medium to long-term by promoting the supply of healthcare facilities as social infrastructure and building a portfolio specializing in healthcare facilities.

(3) Overview of Financing

HCM upholds stable financial management as its basic policy for securing stable income and maintaining and enhancing asset value over the medium to long-term.

As a result, unitholders' capital (net) (Note) at the end of the current fiscal period stands at 36,894 million yen, the total number of investment units issued and outstanding at 359,500 units, and total interest-bearing liabilities 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 distributions in excess of earnings of allowance for temporary difference adjustments.

As of the end of the current fiscal period, the ratio of LTV is 52.6%.

HCM's rating as of July 31, 2026 is as follows.

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

(4) Overview of Business Performance and Distributions

As a result of the performance described above, for the current fiscal period, operating revenue stood at 2,659 million yen, operating income at 1,341 million yen, ordinary income at 1,016 million yen and net income at 1,015 million yen.

In accordance with the cash distributions policy described in Article 36, Paragraph 1 of its Articles of Incorporation, HCM determines that the amount of distributions shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, and shall be up to its profits as defined in Article 136, Paragraph 1 of the Investment Trust Act. Following this policy, HCM decided to distribute 1,015,947,000 yen, which is approximately the entire amount of unappropriated retained earnings for the current period, as distributions. Accordingly, distributions of earnings per unit were 2,826 yen.

Furthermore, in accordance with the policy for cash distributions in excess of earnings provided in Article 36, Paragraph 2 of its Articles of Incorporation, HCM is to make its distributions in excess of earnings (return of capital that falls under the category of distributions reducing unitholders' capital for tax purposes) in each period on a continuous basis, as a rule.

During the current fiscal period, HCM decided to distribute 125,106,000 yen, an amount roughly equivalent to 20% of depreciation recorded in the current fiscal period, as distributions in excess of earnings. Accordingly, distributions in excess of earnings per unit came to 348 yen.

As a result, distributions per unit came to 3,174 yen.

(Note 1) Distributions in excess of earnings are distributed with a target 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 expenditures 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.
In addition, as an increase in depreciation expenses is expected in line with the expansion of HCM's asset size and the diversification of its portfolio has progressed, HCM revised its relevant internal rules on August 19, 2026. Accordingly, HCM changed its policy to, in principle, continuously make distributions in excess of earnings each accounting period, from the perspective of stabilizing distributions over the medium to long term, in an amount deemed appropriate, taking into sufficient consideration the amount of capital expenditures necessary to maintain and improve the competitiveness of HCM's assets under management, HCM's financial position and other factors, up to an amount equivalent to 30% of the depreciation recorded in the accounting period immediately before the accounting period when HCM will pay such distributions.

(Note 2) Under the rules of The Investment Management Association of Japan, closed-end investment corporations are allowed to conduct distributions in excess of earnings up to an amount equivalent to the difference between the total accumulated depreciation as of the last day of the current accounting period and the total accumulated depreciation recorded as of the last day of the immediately preceding accounting period (excluding the accumulated depreciation recorded as of the last day of the immediately preceding accounting period for assets that ceased to be recorded during the current accounting period due to transfer, disposal, loss or other similar reasons).

3. Status of Capital Increases

Changes in the total number of investment units issued and outstanding and unitholders' capital over the past five years are as follows.

Date	Notes	Total number of investment units issued and outstanding (units)		Unitholders' capital (millions of yen)		Unitholders' capital (net) (millions of yen) (Note 1)		Remarks
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	Increase (Decrease)	Balance	
October 21, 2021	Distributions in excess of earnings (refund of investment)	-	311,001	-	32,480	(94)	31,964	(Note 2)
February 1, 2022	Capital increase through public offering	46,190	357,191	5,564	38,045	5,564	37,529	(Note 3)
March 1, 2022	Capital increase through third-party allotment	2,309	359,500	278	38,323	278	37,807	(Note 4)
April 21, 2022	Distributions in excess of earnings (refund of investment)	-	359,500	-	38,323	(95)	37,711	(Note 5)
October 21, 2022	Distributions in excess of earnings (refund of investment)	-	359,500	-	38,323	(110)	37,601	(Note 6)
October 20, 2023	Distributions in excess of earnings (refund of investment)	-	359,500	-	38,323	(111)	37,489	(Note 7)
April 19, 2024	Distributions in excess of earnings (refund of investment)	-	359,500	-	38,323	(113)	37,375	(Note 8)
October 21, 2024	Distributions in excess of earnings (refund of investment)	-	359,500	-	38,323	(117)	37,258	(Note 9)
April 21, 2025	Distributions in excess of earnings (refund of investment)	-	359,500	-	38,323	(119)	37,138	(Note 10)
October 21, 2025	Distributions in excess of earnings (refund of investment)	-	359,500	-	38,323	(120)	37,018	(Note 11)
April 21, 2026	Distributions in excess of earnings (refund of investment)	-	359,500	-	38,323	(123)	36,894	(Note 12)

(Note 1) 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 distributions in excess of earnings of allowance for temporary difference adjustments.

(Note 2) HCM resolved at the board of directors' meeting held on September 14, 2021, to set cash distributions in excess of earnings (return of capital that falls under the category of distributions reducing unitholders' capital for tax purposes) at 304 yen per unit as cash distributions for the 13th fiscal period (fiscal period ended July 2021), and started the payout on October 21, 2021.

(Note 3) New investment units were issued through public offering with issue price of 124,764 yen (paid-in amount of 120,477 yen) per unit.

(Note 4) New investment units were issued through third-party allotment in line with public offering, with paid-in amount of 120,477 yen per unit.

(Note 5) HCM resolved at the board of directors' meeting held on March 18, 2022, to set cash distributions in excess of earnings (return of capital that falls under the category of distributions reducing unitholders' capital for tax purposes) at 308 yen per unit as cash distributions for the 14th fiscal period (fiscal period ended January 2022), and started the payout on April 21, 2022.

(Note 6) HCM resolved at the board of directors' meeting held on September 14, 2022, to set cash distributions in excess of earnings (return of capital that falls under the category of distributions reducing unitholders' capital for tax purposes) at 307 yen per unit as cash distributions for the 15th fiscal period (fiscal period ended July 2022), and started the payout on October 21, 2022.

(Note 7) HCM resolved at the board of directors' meeting held on September 15, 2023, to set cash distributions in excess of earnings (return of capital that falls under the category of distributions reducing unitholders' capital for tax purposes) at 311 yen per unit as cash distributions for the 17th fiscal period (fiscal period ended July 2023), and started the payout on October 20, 2023.

(Note 8) HCM resolved at the board of directors' meeting held on March 19, 2024, to set cash distributions in excess of earnings (return of capital that falls under the category of distributions reducing unitholders' capital for tax purposes) at 316 yen per unit as cash distributions for the 18th fiscal period (fiscal period ended January 2024), and started the payout on April 19, 2024.

(Note 9) HCM resolved at the board of directors' meeting held on September 13, 2024, to set cash distributions in excess of earnings (return of capital that falls under the category of distributions reducing unitholders' capital for tax purposes) at 327 yen per unit as cash distributions for the 19th fiscal period (fiscal period ended July 2024), and started the payout on October 21, 2024.

(Note 10) HCM resolved at the board of directors' meeting held on March 18, 2025, to set cash distributions in excess of earnings (return of capital that falls under the category of distributions reducing unitholders' capital for tax purposes) at 333 yen per unit as cash distributions for the 20th fiscal period (fiscal period ended January 2025), and started the payout on April 21, 2025.

(Note 11) HCM resolved at the board of directors' meeting held on September 12, 2025, to set cash distributions in excess of earnings (return of capital that falls under the category of distributions reducing unitholders' capital for tax purposes) at 335 yen per unit as cash distributions for the 21st fiscal period (fiscal period ended July 2025), and started the payout on October 21, 2025.

(Note 12) HCM resolved at the board of directors' meeting held on March 17, 2026, to set cash distributions in excess of earnings (return of capital that falls under the category of distributions reducing unitholders' capital for tax purposes) at 344 yen per unit as cash distributions for the 22nd fiscal period (fiscal period ended

January 2026), and started the payout on April 21, 2026.

Investment units' price performance

The investment units' high and low closing prices on the TSE's J-REIT Market are tabulated below by fiscal period.

Fiscal period	19th fiscal period From February 1, 2024 To July 31, 2024	20th fiscal period From August 1, 2024 To January 31, 2025	21st fiscal period From February 1, 2025 To July 31, 2025	22nd fiscal period From August 1, 2025 To January 31, 2026	23rd fiscal period From February 1, 2026 To July 31, 2026
High	135,200 yen	124,700 yen	117,500 yen	124,700 yen	131,300 yen
Low	122,700 yen	102,700 yen	103,300 yen	114,600 yen	105,400 yen

4. Distributions

In accordance with the cash distributions policy described in Article 36, Paragraph 1 of its Articles of Incorporation, HCM determines that the amount of distributions shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, and shall be up to its profits as defined in Article 136, Paragraph 1 of the Investment Trust Act. Following this policy, HCM decided to distribute 1,015,947,000 yen, which is approximately the entire amount of unappropriated retained earnings for the current period, as distributions. Accordingly, distributions of earnings per unit were 2,826 yen.

Furthermore, in accordance with the policy for cash distributions in excess of earnings provided in Article 36, Paragraph 2 of its Articles of Incorporation, HCM is to make its distributions in excess of earnings (return of capital that falls under the category of distributions reducing unitholders' capital for tax purposes) in each period on a continuous basis, as a rule.

During the current fiscal period, HCM decided to distribute 125,106,000 yen, an amount roughly equivalent to 20% of depreciation recorded in the current fiscal period, as distributions in excess of earnings. Accordingly, distributions in excess of earnings per unit came to 348 yen.

As a result, distributions per unit came to 3,174 yen.

Fiscal period		19th fiscal period From Feb. 1, 2024 To Jul. 31, 2024	20th fiscal period From Aug. 1, 2024 To Jan. 31, 2025	21st fiscal period From Feb. 1, 2025 To Jul. 31, 2025	22nd fiscal period From Aug. 1, 2025 To Jan. 31, 2026	23rd fiscal period From Feb. 1, 2026 To Jul. 31, 2026
Total unappropriated retained earnings	(thousands of yen)	1,056,858	1,024,789	1,017,248	1,057,891	1,016,149
Retained earnings carried forward	(thousands of yen)	183	214	222	242	202
Total distributions	(thousands of yen)	1,172,329	1,144,288	1,137,458	1,181,317	1,141,053
[Distributions per unit]	(yen)	[3,261]	[3,183]	[3,164]	[3,286]	[3,174]
Total distributions of earnings	(thousands of yen)	1,054,773	1,024,575	1,017,025	1,057,649	1,015,947
[Distributions of earnings per unit]	(yen)	[2,934]	[2,850]	[2,829]	[2,942]	[2,826]
Distributions in excess of earnings	(thousands of yen)	117,556	119,713	120,432	123,668	125,106
[Distributions in excess of earnings per unit]	(yen)	[327]	[333]	[335]	[344]	[348]
Distributions in excess of earnings from allowance for temporary difference adjustments	(thousands of yen)	-	-	-	-	-
[Distributions in excess of earnings from allowance for temporary difference adjustments per unit]	(yen)	[-]	[-]	[-]	[-]	[-]
Distributions in excess of earnings from distributions under tax law resulting in a redemption of unitholders' capital	(thousands of yen)	117,556	119,713	120,432	123,668	125,106
[Distributions in excess of earnings from distributions under tax law resulting in a redemption of unitholders' capital per unit]	(yen)	[327]	[333]	[335]	[344]	[348]

(Note 1) Distributions in excess of earnings are distributed with a target amount equivalent to 20% of the depreciation recorded in the accounting period immediately before the accounting period when HCM will pay the said distributions, sufficiently taking into consideration the amount of capital expenditures 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.
In addition, as an increase in depreciation expenses is expected in line with the expansion of HCM's asset size and the diversification of its portfolio has progressed, HCM revised its relevant internal rules on August 19, 2026. Accordingly, HCM changed its policy to, in principle, continuously make distributions in excess of earnings each accounting period, from the perspective of stabilizing distributions over the medium to long term, in an amount deemed appropriate, taking into sufficient consideration the amount of capital expenditures necessary to maintain and improve the competitiveness of HCM's assets under management, HCM's financial position and other factors, up to an amount equivalent to 30% of the depreciation recorded in the accounting period immediately before the accounting period when HCM will pay such distributions.

(Note 2) Under the rules of The Investment Management Association of Japan, closed-end investment corporations are allowed to conduct distributions in excess of earnings up to an amount equivalent to the difference between the total accumulated depreciation as of the last day of the current accounting period and the total accumulated depreciation recorded as of the last day of the immediately preceding accounting period (excluding the accumulated depreciation recorded as of the last day of the immediately preceding accounting period for assets that ceased to be recorded during the current accounting period due to transfer, disposal, loss or other similar reasons).

5. Future Management Policy

(1) Investment Environment

In Japan, while the number of elderly households is increasing, the population that bears nursing care is on the decline, and a provision of nursing care services and medical services at external facilities for a certain percentage of elderly households will inevitably be needed. The expansion of the supply of healthcare facilities, especially facilities and housing for the elderly, is required in response to the expanding demand for nursing care and medical services.

As nursing care in the same household is forecast to be more difficult than ever before due to extreme aging and change to family structures, new development and expansion of healthcare facilities are required to respond to the growing demand for nursing care and medical services, and measures to achieve them are being promoted.

In “Japan Revitalization Strategy - JAPAN is BACK -“ dated June 14, 2013, the Headquarters for Japan's Economic Revitalization announced a policy to “enact a guideline concerning acquisition and management of properties including housing for the elderly to promote the utilization of healthcare REITs in an effort to utilize private funds” as part of urban development to enable the elderly to walk and live safely.

Following this policy, the Ministry of Land, Infrastructure, Transport and Tourism enacted the “Guideline Related to the Utilization of Healthcare REITs Targeting Housing for the Elderly” on June 27, 2014, and the “Guideline Related to REITs Targeting Hospital Real Estate” on June 26, 2015, as well as indicating the points to be noted in transactions of healthcare facilities, such as the positioning of key executives with certain experience. With the enactment of these guidelines, it is believed that opportunities for operators to utilize healthcare REITs will increase.

(2) Future Management Policy and Challenges to Address

With recognition of the above investment environment, HCM aims to realize a society where all people can live vibrantly and with peace of mind, and to increase unitholder value through securing stable income and steady growth of the portfolio.

6. Significant Subsequent Events

a. Acquisition of assets

On August 19, 2026, HCM entered into a purchase agreement for the acquisition of trust beneficiary interests in the following 14 real estate properties ("Assets to Be Acquired in the 24th Fiscal Period"), and on September 1, 2026, HCM acquired “Haruyama Memorial Hospital (Land)”, ”TSUKUI SUNFOREST Sapporo Yamahana”, ”TSUKUI SUNSHINE Yokohama Noge”, ”TSUKUI SUNSHINE Sagamihara”, “Classic Community Yokohama”, ”Soshigaya Carepark SOYOKAZE”, “Care Village Minori”, “Kuroiso Carecenter SOYOKAZE”, “Sunny Life Shinkotoni”, “Nerimayahara Carepark SOYOKAZE”, “Medical Rehabilitation Home Granda Toyotamotomachi” and ”SAWAYAKA Higashi-Osakakan”. HCM also acquired “Sunny Life Higashi-Kurume” and “Sunny Life Higashi-Yamato” on September 30, 2026.

Property number	Property name	Location	Acquisition price (Note) (millions of yen)	Date of acquisition
Medical service-related facilities, etc.-2	Haruyama Memorial Hospital (Land)	Shinjuku-ku, Tokyo	3,439	Sep. 1, 2026
Serviced housing for the elderly-5	TSUKUI SUNFOREST Sapporo Yamahana	Sapporo-shi, Hokkaido	624	Sep. 1, 2026
Paid nursing home-53	TSUKUI SUNSHINE Yokohama Noge	Yokohama-shi, Kanagawa	2,198	Sep. 1, 2026
Paid nursing home-54	TSUKUI SUNSHINE Sagamihara	Sagamihara-shi, Kanagawa	2,090	Sep. 1, 2026
Serviced housing for the elderly-6	Classic Community Yokohama	Yokohama-shi, Kanagawa	1,512	Sep. 1, 2026
Serviced housing for the elderly-7	Soshigaya Carepark SOYOKAZE	Setagaya-ku, Tokyo	1,214	Sep. 1, 2026
Paid nursing home-55	Care Village Minori	Niiza-shi, Saitama	1,780	Sep. 1, 2026
Group homes for the elderly with dementia-1	Kuroiso Carecenter SOYOKAZE	Nasushiobara-shi, Tochigi	428	Sep. 1, 2026
Paid nursing home-56	Sunny Life Shinkotoni	Sapporo-shi, Hokkaido	1,555	Sep. 1, 2026
Paid nursing home-57	Nerimayahara Carepark SOYOKAZE	Nerima-ku, Tokyo	1,484	Sep. 1, 2026
Paid nursing home-58	Medical Rehabilitation Home Granda Toyotamotomachi	Toyota-shi, Aichi	1,170	Sep. 1, 2026
Paid nursing home-59	SAWAYAKA Higashi-Osakakan	Higashiosaka-shi, Osaka	1,402	Sep. 1, 2026
Paid nursing home-60	Sunny Life Higashi-Kurume	Higashikurume-shi, Tokyo	1,770	Sep. 30, 2026
Paid nursing home-61	Sunny Life Higashi-Yamato	Higashiyamato-shi, Tokyo	1,070	Sep. 30, 2026
Total	-	-	21,736	-

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

b. Issuance of new investment units

In accordance with the resolutions of the Board of Directors on August 19, 2026, and August 26, 2026, HCM determined to issue new investment units as follows and to use the proceeds to fund a portion of the acquisition of the Assets to Be Acquired in the 24th Fiscal Period. Payment for the new investment units by public offering was completed on September 1, 2026. Payment for the new investment units by third-party allotment was completed on September 29, 2026. As a result, total unitholders' capital amounted to 47,287 million yen and the total number of investment units issued and outstanding was 457,000 units.

Issuance of New Investment Units by Public Offering (Primary Offering)

Number of new investment units issued	: 92,858 units
Issue price (offer price)	: 95,160 yen per unit
Total issue price (total offer price)	: 8,836,367,280 yen
Paid-in amount (issue amount)	: 91,939 yen per unit
Total paid-in amount (total issue amount)	: 8,537,271,662 yen
Payment date	: September 1, 2026 (Tue.)

Issuance of New Investment Units by Third-Party Allotment

Number of new investment units issued	: 4,642 units
Paid-in amount (issue amount)	: 91,939 yen per unit
Total paid-in amount (total issue amount)	: 426,780,838 yen
Payment date	: September 29, 2026 (Tue.)
Allotted party	: SMBC Nikko Securities Inc.

c. Borrowing of funds

HCM executed borrowings to allocate to a portion of the acquisition and its related expenses for the Assets to Be Acquired in the 24th Fiscal Period. A summary of the borrowings is as follows.

Type	Lender	Borrowing amount	Interest rate	Drawdown date	Borrowing method	Repayment date	Repayment method	Security
Long term	Loan syndicate with Sumitomo Mitsui Banking Corporation as an arranger	5,000 million yen	Base interest rate (JBA 1-month Japanese yen TIBOR) + 0.25% (Note)	September 1, 2026	Borrowings based on the individual term loan agreement as of August 28, 2026, with the company on the left as a lender	July 31, 2029	Lump-sum repayment on principal repayment date	Unsecured and unguaranteed
	Loan syndicate with Sumitomo Mitsui Banking Corporation as an arranger	3,000 million yen	Base interest rate (JBA 1-month Japanese yen TIBOR) + 0.35% (Note)	September 1, 2026		July 31, 2030		
	Loan syndicate with Sumitomo Mitsui Banking Corporation as an arranger	2,500 million yen	Base interest rate (JBA 1-month Japanese yen TIBOR) + 0.35% (Note)	September 30, 2026		July 31, 2030		
Short term	Sumitomo Mitsui Banking Corporation	600 million yen	Base interest rate (JBA 1-month Japanese yen TIBOR) + 0.25%	September 30, 2026		September 30, 2027		

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

Overview of HCM

1. Status of Capitalization

Fiscal period	19th fiscal period (as of Jul. 31, 2024)	20th fiscal period (as of Jan. 31, 2025)	21st fiscal period (as of Jul. 31, 2025)	22nd fiscal period (as of Jan. 31, 2026)	23rd fiscal period (as of Jul. 31, 2026)
Total number of investment units authorized (units)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total number of investment units issued and outstanding (units)	359,500	359,500	359,500	359,500	359,500
Unitholders' capital, net (Note) (millions of yen)	37,375	37,258	37,138	37,018	36,894
Number of unitholders (persons)	18,449	18,744	19,406	20,289	20,183

(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 distributions in excess of earnings of allowance for temporary difference adjustments.

2. Matters Concerning Investment Units

Top 10 unitholders ranked by percentage of outstanding investment units owned at July 31, 2026, are listed below.

Name	No. of investment units held (units)	Percentage of outstanding units owned (%)
Custody Bank of Japan, Ltd. (Trust Account)	74,452	20.7
The Master Trust Bank of Japan, Ltd. (Trust Account)	41,131	11.4
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	17,755	4.9
STATE STREET BANK AND TRUST COMPANY 505001	5,799	1.6
JP MORGAN CHASE BANK 385781	4,967	1.4
NEC Capital Solutions Limited	4,000	1.1
SHIP HEALTHCARE HOLDINGS, INC.	4,000	1.1
Sumitomo Mitsui Banking Corporation	4,000	1.1
Ueda Yagi Tanshi Co., Ltd.	3,454	1.0
Custody Bank of Japan, Ltd. (Trust account 4)	3,326	0.9
Total	162,884	45.3

3. Matters Concerning Directors

(1) Executive Director, Supervisory Directors and Accounting Auditor in the Current Fiscal Period

Position	Name	Key concurrent holding of positions	Total amount of compensation for each position during period (thousands of yen)
Executive Director (Note 1) (Note 2)	Yuji Fujise	Shimada Hamba & Osajima Lawyer	2,400
Supervisory Director (Note 1) (Note 2)	Kaori Sato	Torikai Law Office Partner	3,000
	Tomomi Nakano	Tomomi Nakano Certified Public Accountant and Tax Accountant Firm Representation	
Accounting Auditor (Note 3)	PricewaterhouseCoopers Japan LLC	-	11,000

(Note 1) The amount paid in the current period.

(Note 2) None of the executive director or supervisory directors own HCM's investment units in their own name or in the name of another. In addition, supervisory directors may be directors of other corporations other than those stated above, but none of them, including those above, have a vested interest in the HCM or the Asset Management Company.

(Note 3) For the "Accounting Auditor," the remuneration for the audit for the current period is 11,000 thousand yen. Non-audit fees to those belonging to the same network as the accounting auditor amount to 4,100 thousand yen.

(2) Policy on Dismissal and Non-reappointment of Accounting Auditor

The accounting auditor shall be dismissed when any of the items of Article 105, Paragraph 1 of the Investment Trusts Act is deemed to apply, and non-reappointment shall be reviewed by HCM's Board of Directors, with comprehensive consideration to the quality of audits, the amount of audit fees, and various other circumstances.

4. Matters Related to Directors Liability Insurance Agreements

HCM has concluded directors liability insurance agreements, as follows.

Scope of Insured Parties	Overview of Directors Liability Insurance Agreement Content
All executive and supervisory directors	(Summary of covered incidents) HCM has concluded a directors liability insurance agreement with an insurance company as stipulated in Article 116-3, Paragraph 1 of the Investment Trusts Act. This agreement covers damages that may arise from an insured person being held liable for the performance of their duties or being subject to claims related to such liability. (Percentage of premiums paid) Premiums are fully borne by HCM for all insured parties. (Measures to ensure that the appropriateness of the execution of director duties is not impaired) Exemptions are stipulated in the agreement, such as for non-coverage of damages caused by willful misconduct or gross negligence.

5. Asset Management Company, Asset Custodian and General Administrators

The asset management company, asset custodian and general administrators as of July 31, 2026, are as follows:

Entrustment category	Name
Asset management company	Healthcare Asset Management Co., Ltd.
Asset custodian	Sumitomo Mitsui Trust Bank, Limited
General administrator (accounting matters, transfer agent for investment units, administration of investment corporation bonds)	Sumitomo Mitsui Trust Bank, Limited
General administrator (running of the organization)	Healthcare Asset Management Co., Ltd.

Status of Investment Assets of HCM

1. Composition of Assets of HCM

Asset type	Asset use		Area	22nd fiscal period (as of Jan. 31, 2026)		23rd fiscal period (as of Jul. 31, 2026)	
				Total amount owned (millions of yen) (Note 1)	As a percentage of total assets (%) (Note 2)	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	54,037	61.1
			Core Cities (Note 4)	8,469	9.5	8,373	9.5
			Other Areas (Note 5)	1,595	1.8	1,565	1.8
		Serviced housing for the elderly	Three Major Metropolitan Areas (Note 3)	2,776	3.1	2,746	3.1
			Core Cities (Note 4)	2,402	2.7	2,382	2.7
			Other Areas (Note 5)	-	-	-	-
		Group homes for the elderly with dementia		-	-	-	-
		Other facilities for the elderly		-	-	-	-
		Subtotal		69,530	78.3	69,106	78.1
	Medical service-related facilities, etc.		Three Major Metropolitan Areas (Note 3)	-	-	-	-
			Core Cities (Note 4)	2,032	2.3	2,015	2.3
			Other Areas (Note 5)	-	-	-	-
			Subtotal	2,032	2.3	2,015	2.3
	Multi-use facilities	Complex of paid nursing homes, medical service-related facilities, etc.	Three Major Metropolitan Areas (Note 3)	12,701	14.3	12,744	14.4
			Core Cities (Note 4)	-	-	-	-
			Other Areas (Note 5)	-	-	-	-
			Subtotal	12,701	14.3	12,744	14.4
	Other			-	-	-	-
	Total			84,264	94.9	83,866	94.8
Investment securities(Note 6)				197	0.2	194	0.2
Deposits and other assets				4,324	4.9	4,437	5.0
Total assets				88,786	100.0	88,498	100.0

(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 one 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 refer 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. As of July 31, 2026, HC Shukugawa GK held trust beneficial interests in Sunny Life Shinkotoni, Nerimayahara Carepark SOYOKAZE, Medical Rehabilitation Home Granda Toyotamotomachi, SAWAYAKA Higashi-Osakakan, SAWAYAKA Himeji Kan and SAWAYAKA Seaside Kukinoumi. Of these, the trust beneficial interests in Sunny Life Shinkotoni, Nerimayahara Carepark SOYOKAZE, Medical Rehabilitation Home Granda Toyotamotomachi and SAWAYAKA Higashi-Osakakan were disposed to HCM on September 1, 2026.

2. Major Assets Held

The following is an overview of the major portfolio assets (top ten properties in terms of book value) held by HCM as of July 31, 2026.

Name of real estate	Carrying amount (millions of yen)	Leasable area (m^2) (Note 1)	Leased area (m^2) (Note 2)	Operational rate (%) (Note 3)	As a percentage of total operating revenue from real estate leasing business (%) (Note 4)	Primary use
SHIP Senri Building	12,744	24,813.85	24,813.85	100.0	Not disclosed	Paid nursing home・Medical service-related facilities, etc.
GreenLife Moriguchi	3,996	8,356.85	8,356.85	100.0	Not disclosed	Paid nursing home
Kobe Gakuentoshi Building	3,832	12,636.48	12,636.48	100.0	Not disclosed	Paid nursing home
SOMPO CARE La vie Re Machidaonoji	3,164	7,720.17	7,720.17	100.0	Not disclosed	Paid nursing home
SOMPO CARE La vie Re Azamino	2,783	5,789.25	5,789.25	100.0	Not disclosed	Paid nursing home
Sunny Life Funabashi	2,245	6,213.87	6,213.87	100.0	Not disclosed	Paid nursing home
Smiling Home Medice Adachi	2,207	3,870.98	3,870.98	100.0	Not disclosed	Paid nursing home
Hanakotoba Shin-Yokohama	2,046	5,230.23	5,230.23	100.0	Not disclosed	Paid nursing home
Heartland Kawaguchi Meiseien	2,029	3,885.90	3,885.90	100.0	Not disclosed	Paid nursing home
Niigata Rehabilitation Hospital	2,015	13,476.55	13,476.55	100.0	Not disclosed	Medical service-related facilities, etc.
Total	37,066	91,994.13	91,994.13	100.0	43.0	-

(Note 1) "Leasable area" indicates figures based on the lease agreement of each building.
(Note 2) "Leased area" indicates the areas out of the leasable area for which actual lease agreements have been concluded and are leased.
(Note 3) "Operational rate" indicates the leased area as a percentage of the leasable area of each owned asset as of July 31, 2026, and is rounded to one decimal place.
(Note 4) "As a percentage of total operating revenue from real estate leasing business," for each property is not disclosed as consent for disclosure of real estate leasing business revenue has not been obtained from tenants. The total value is rounded to the first decimal place.

3. Details of Real Estate and Other Assets

The following is an overview of the assets held by HCM as of July 31, 2026.

Name of real estate	Location	Type of ownership	Total leasable area (m^2)	Carrying amount (millions of yen) (Note 1)	Period-end appraisal value (millions of yen) (Note 2)
AQUAMARINE Nishinomiyahama	Nishinomiya-shi, Hyogo	Trust beneficiary interests in real estate	5,274.54	1,763	2,130
Bonsejour Chitosefunabashi	Setagaya-ku, Tokyo	Trust beneficiary interests in real estate	2,342.17	783	997
Bonsejour Hino	Hino-shi, Tokyo	Trust beneficiary interests in real estate	1,984.17	681	830
Bonsejour Musashi-shinjo	Kawasaki-shi, Kanagawa	Trust beneficiary interests in real estate	1,710.43	549	639
Medical Rehabilitation Home Bonsejour Hadanoshibusawa	Hadano-shi, Kanagawa	Trust beneficiary interests in real estate	3,435.79	642	863
ASHEIM Hikarigaoka	Nerima-ku, Tokyo	Trust beneficiary interests in real estate	3,628.60	1,343	1,510
ASHEIM Bunkyohakusan	Bunkyo-ku, Tokyo	Trust beneficiary interests in real estate	2,507.25	1,379	1,880
SOMPO CARE La vie Re Machidaonoji	Machida-shi, Tokyo	Trust beneficiary interests in real estate	7,720.17	3,164	4,280
SOMPO CARE La vie Re Azamino	Yokohama-shi, Kanagawa	Trust beneficiary interests in real estate	5,789.25	2,783	3,430
SAWAYAKA Tachibanakan	Fukuoka-shi, Fukuoka	Trust beneficiary interests in real estate	5,652.94	1,177	1,580
SAWAYAKA Mekarikan	Kitakyushu-shi, Fukuoka	Trust beneficiary interests in real estate	4,720.46	1,081	1,460
SAWAYAKA Tagawakan	Tagawa-shi, Fukuoka	Trust beneficiary interests in real estate	2,366.20	333	359
GOOD TIME HOME Fudo-mae	Shinagawa-ku, Tokyo	Trust beneficiary interests in real estate	3,400.20	1,813	2,030
Rehabilitation Home Bonsejour Yotsugi	Katsushika-ku, Tokyo	Trust beneficiary interests in real estate	1,962.89	786	898
Medical Home Bonsejour Itami	Itami-shi, Hyogo	Trust beneficiary interests in real estate	2,129.87	458	554
Kobe Gakuentoshi Building	Kobe-shi, Hyogo	Trust beneficiary interests in real estate	12,636.48	3,832	4,890
GreenLife Moriguchi	Moriguchi-shi, Osaka	Trust beneficiary interests in real estate	8,356.85	3,996	4,430
Hapine Kobe Uozaki Nibankan	Kobe-shi, Hyogo	Trust beneficiary interests in real estate	1,772.89	878	1,070
Granda Tsuruma-Yamato	Yamato-shi, Kanagawa	Trust beneficiary interests in real estate	3,427.08	1,001	1,020

Name of real estate	Location	Type of ownership	Total leasable area (m^2)	Carrying amount (millions of yen) (Note 1)	Period-end appraisal value (millions of yen) (Note 2)
Smiling Home Medice Adachi	Adachi-ku, Tokyo	Trust beneficiary interests in real estate	3,870.98	2,207	2,640
AIKOEN ICHIBANKAN Building	Niigata-shi, Niigata	Trust beneficiary interests in real estate	4,311.20	728	823
Hanakotoba Minami	Yokohama-shi, Kanagawa	Trust beneficiary interests in real estate	1,710.68	1,066	1,210
Hanakotoba Miura	Miura-shi, Kanagawa	Trust beneficiary interests in real estate	1,959.64	640	671
SOMPO CARE La vie Re Hama-Kawasaki	Kawasaki-shi, Kanagawa	Trust beneficiary interests in real estate	4,060.21	1,650	1,830
Hanakotoba Shin-Yokohama	Yokohama-shi, Kanagawa	Trust beneficiary interests in real estate	5,230.23	2,046	2,590
Hanakotoba Shin-Yokohama II	Yokohama-shi, Kanagawa	Trust beneficiary interests in real estate	1,837.29	381	434
Hanakotoba Odawara	Odawara-shi, Kanagawa	Trust beneficiary interests in real estate	2,203.42	922	956
Verde Minowa	Takasaki-shi, Gunma	Trust beneficiary interests in real estate	11,098.17	1,539	1,740
Verde Hotaka	Kawaba-mura, Tone-gun, Gunma	Trust beneficiary interests in real estate	6,352.86	1,232	1,600
Sunny Life Kita-Shinagawa	Shinagawa- ku, Tokyo	Trust beneficiary interests in real estate	2,135.54	1,799	2,090
Sunny Life Kamakura	Kamakura-shi, Kanagawa	Trust beneficiary interests in real estate	3,817.91	1,413	1,560
Nichii Home Nishikokubunji	Kokubunji-shi, Tokyo	Trust beneficiary interests in real estate	1,559.99	757	768
SOMPO CARE La vie Re Kobeikawadani	Kobe-shi, Hyogo	Trust beneficiary interests in real estate	3,824.54	1,332	1,300
SOMPO CARE Sompo no ie Sayama	Sakai-shi, Osaka	Trust beneficiary interests in real estate	1,997.87	638	647
Royal Kawaguchi	Kawaguchi-shi, Saitama	Trust beneficiary interests in real estate	3,484.02	1,321	1,420
NOAH GARDEN LEGEND	Sapporo-shi, Hokkaido	Trust beneficiary interests in real estate	2,736.89	857	920
NOAH GARDEN L Grace	Sapporo-shi, Hokkaido	Trust beneficiary interests in real estate	2,075.25	620	660
NOAH GARDEN Season Bell	Sapporo-shi, Hokkaido	Trust beneficiary interests in real estate	4,602.26	1,383	1,570
Heartland Kawaguchi Meiseien	Kawaguchi-shi, Saitama	Trust beneficiary interests in real estate	3,885.90	2,029	2,260
Rehabilitation Home Granda Minamiurawa	Kawaguchi-shi, Saitama	Trust beneficiary interests in real estate	2,373.25	1,056	1,100
Madoka Minamiurawa	Kawaguchi-shi, Saitama	Trust beneficiary interests in real estate	1,918.98	861	882

Name of real estate	Location	Type of ownership	Total leasable area (m^2)	Carrying amount (millions of yen) (Note 1)	Period-end appraisal value (millions of yen) (Note 2)
Nichii Maison Inage	Chiba-shi, Chiba	Trust beneficiary interests in real estate	4,700.07	1,595	1,670
Hanakotoba Oppama	Yokosuka-shi, Kanagawa	Trust beneficiary interests in real estate	1,899.46	558	532
NOAH GARDEN Building A	Sapporo-shi, Hokkaido	Trust beneficiary interests in real estate	1,578.76	389	401
NOAH GARDEN Building B	Sapporo-shi, Hokkaido	Trust beneficiary interests in real estate	1,049.05	286	292
NOAH GARDEN Villa	Sapporo-shi, Hokkaido	Trust beneficiary interests in real estate	1,073.34	308	315
PD House Higashi-Osaka	Higashiosaka-shi, Osaka	Trust beneficiary interests in real estate	1,792.59	730	746
TSUKUI SUNSHINE Yokohama Totsuka	Yokohama-shi, Kanagawa	Trust beneficiary interests in real estate	2,768.33	1,217	1,190
Hoshigaoka Doctors Building	Nagoyo-shi, Aichi	Trust beneficiary interests in real estate	4,440.49	851	879
Sunny Life Funabashi	Funabashi-shi, Chiba	Trust beneficiary interests in real estate	6,213.87	2,245	2,240
Medical Rehabilitation Home Kurara Keio Higashi-Fuchu	Fuchu-shi, Tokyo	Trust beneficiary interests in real estate	1,874.56	854	848
SOMPO CARE Sompo no ie S Awajiekimae	Osaka-shi, Osaka	Trust beneficiary interests in real estate	5,745.15	1,684	2,380
SOMPO CARE Sompo no ie S Kobekamisawa	Kobe-shi, Hyogo	Trust beneficiary interests in real estate	4,058.35	1,062	1,430
NOAH GARDEN CASA RICH	Sapporo-shi, Hokkaido	Trust beneficiary interests in real estate	4,986.98	1,603	1,730
NOAH GARDEN Bloom View	Sapporo-shi, Hokkaido	Trust beneficiary interests in real estate	2,079.81	779	770
Niigata Rehabilitation Hospital	Niigata-shi, Niigata	Trust beneficiary interests in real estate	13,476.55	2,015	2,280
SHIP Senri Building	Toyonaka-shi, Osaka	Trust beneficiary interests in real estate	24,813.85	12,744	14,700
Total			240,416.52	83,866	96,924

(Note 1) "Carrying amount" indicates book value after depreciation and amortization as of July 31, 2026.
(Note 2) "Period-end appraisal value" indicates amounts stated in the appraisal report with appraisal date of July 31, 2026.

The leasing status of real estate and other assets owned by HCM is as follows.

Name of real estate	22nd fiscal period From Aug. 1, 2025 To Jan. 31, 2026				23rd fiscal period From Feb. 1, 2026 To Jul. 31, 2026			
	No. of tenants (Note 1)	Operational rate (%)	Real estate leasing business revenue (millions of yen)	As a percentage of total leasing business revenue (%)	No. of tenants (Note 1)	Operational rate (%)	Real estate leasing business revenue (millions of yen)	As a percentage of total leasing business revenue (%)
AQUAMARINE Nishinomiyahama	1	98.4	Not disclosed (Note 2)	Not disclosed (Note 2)	1	98.4	Not disclosed (Note 2)	Not disclosed (Note 2)
Bonsejour Chitosefunabashi	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Bonsejour Hino	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Bonsejour Musashi-shinjo	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Medical Rehabilitation Home Bonsejour Hadanoshibusawa	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
ASHEIM Hikarigaoka	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
ASHEIM Bunkyohakusan	2	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	2	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
SOMPO CARE La vie Re Machidaonoji	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
SOMPO CARE La vie Re Azamino	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
SAWAYAKA Tachibanakan	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
SAWAYAKA Mekarikan	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
SAWAYAKA Tagawakan	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
GOOD TIME HOME Fudo-mae	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Rehabilitation Home Bonsejour Yotsugi	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Medical Home Bonsejour Itami	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Kobe Gakuentoshi Building	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
GreenLife Moriguchi	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Hapine Kobe Uozaki Nibankan	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Granda Tsuruma-Yamato	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Smiling Home Medice Adachi	2	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	2	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
AIKOEN ICHIBANKAN Building	3	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	3	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)

Name of real estate	22nd fiscal period From Aug. 1, 2025 To Jan. 31, 2026				23rd fiscal period From Feb. 1, 2026 To Jul. 31, 2026			
	No. of tenants (Note 1)	Operational rate (%)	Real estate leasing business revenue (millions of yen)	As a percentage of total leasing business revenue (%)	No. of tenants (Note 1)	Operational rate (%)	Real estate leasing business revenue (millions of yen)	As a percentage of total leasing business revenue (%)
Hanakotoba Minami	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Hanakotoba Miura	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
SOMPO CARE La vie Re Hama-Kawasaki	5	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	5	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Hanakotoba Shin-Yokohama	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Hanakotoba Shin-Yokohama II	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Hanakotoba Odawara	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Verde Minowa	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Verde Hotaka	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Sunny Life Kita-Shinagawa	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Sunny Life Kamakura	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Nichii Home Nishikokubunji	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
SOMPO CARE La vie Re Kobeikawadani	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
SOMPO CARE Sompo no ie Sayama	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Royal Kawaguchi	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
NOAH GARDEN LEGEND	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
NOAH GARDEN L Grace	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
NOAH GARDEN Season Bell	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Heartland Kawaguchi Meiseien	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Rehabilitation Home Granda Minamiurawa	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Madoka Minamiurawa	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Nichii Maison Inage	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)

Name of real estate	22nd fiscal period From Aug. 1, 2025 To Jan. 31, 2026				23rd fiscal period From Feb. 1, 2026 To Jul. 31, 2026			
	No. of tenants (Note 1)	Operational rate (%)	Real estate leasing business revenue (millions of yen)	As a percentage of total leasing business revenue (%)	No. of tenants (Note 1)	Operational rate (%)	Real estate leasing business revenue (millions of yen)	As a percentage of total leasing business revenue (%)
Hanakotoba Oppama	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
NOAH GARDEN Building A	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
NOAH GARDEN Building B	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
NOAH GARDEN Villa	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
PD House Higashi-Osaka	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
TSUKUI SUNSHINE Yokohama Totsuka	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Hoshigaoka Doctors Building	2	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	2	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Sunny Life Funabashi	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Medical Rehabilitation Home Kurara Keio Higashi-Fuchu	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
SOMPO CARE Sompo no ie S Awajiekimae	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
SOMPO CARE Sompo no ie S Kobekamisawa	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
NOAH GARDEN CASA RICH	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
NOAH GARDEN Bloom View	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Niigata Rehabilitation Hospital	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
SHIP Senri Building	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)	1	100.0	Not disclosed (Note 2)	Not disclosed (Note 2)
Total	66	100.0	2,619	100.0	66	100.0	2,643	100.0

(Note 1) "No. of tenants" indicates the number of tenants of each building based on the lease agreements. For which the trustee of each owned asset and HCM conclude a lease agreement (master lease agreement) with an aim to have HCM sublease to the master lease company, the master lease company (operator) is counted as a tenant, and accordingly indicated as the number of tenants; while for the properties subject to pass-through-type master lease agreement where rents from end tenants are received intact, in principle, the total number of end tenants is indicated as the number of tenants. However, for the sections that are not subject to the lease agreement (master lease agreement) between the trustee and HCM, the number of lessees leasing a building from the trustee is counted as the number of tenants and indicated accordingly.

(Note 2) "Real estate leasing business revenue" and "As a percentage of total leasing business revenue" for each property is not disclosed as consent for disclosure of leasing business revenue has not been obtained from tenants. The total is the sum of amounts received as rent per period based on the lease agreements.

4. Details of Assets Held in Securities

The following table shows the details of assets held in securities by HCM as of July 31, 2026.

Name of Securities	Type of Assets	Quantity	Carrying amount		Appraisal amount (Note 1)		Appraisal profit/loss (thousands of yen)	Note
			Unit Price	Amount (thousands of yen)	Unit Price	Amount (thousands of yen)		
Anonymous Partnership Equity Interest of HC Shukugawa GK	Anonymous Partnership Equity Interest	-	-	97,240	-	97,240	-	(Note 2)
Anonymous Partnership Equity Interest of HC TURF GK	Anonymous Partnership Equity Interest	-	-	96,977	-	96,977	-	(Note 3)
Total		-	-	194,217	-	194,217	-	-

(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 Higashi-Osakakan, SAWAYAKA Himeji Kan and SAWAYAKA Seaside Kukinoumi. Of these, the trust beneficial interests in Sunny Life Shinkotoni, Nerimayahara Carepark SOYOKAZE, Medical Rehabilitation Home Granda Toyotamotomachi and SAWAYAKA Higashi-Osakakan were disposed to HCM on September 1, 2026.

5. Contract Amounts and Market Values of Specified Transactions

The following table shows the contract amounts and market values of specified transactions by HCM as of July 31, 2026.

Classification	Type	Contract amount (thousands of yen) (Note 1)		Market value (thousands of yen) (Note 2)
			Due after 1 year	
Non-market transaction	Interest rate swap transaction Floating receivable; fixed payable	33,250,000	27,350,000	888,886
Total		33,250,000	27,350,000	888,886

(Note 1) The contract amount for interest rate swap transactions is based on the notional principal amount.
(Note 2) The value is calculated by the counterparty of the relevant transaction contract based on the prevailing market interest rate.

6. Status of Other Assets

As of July 31, 2026, there are no other specified assets for investment other than those listed in "3. Details of Real Estate and Other Assets" through "5. Contract Amounts and Market Values of Specified Transactions" above.

7. Status of Asset Holdings by Country and Region

Not applicable - there are no specified assets for investment held outside of Japan.

Capital Expenditures for Held Real Estate

1. Capital Expenditures

Of capital expenditures associated with repair work currently planned for assets owned by HCM as of July 31, 2026, the following are the major estimated amounts. The estimated construction costs include the portion separately charged to expenses in accounting.

Name of real estate (Location)	Purpose	Scheduled period	Estimated construction costs (thousands of yen)		
			Total amount	Payment during period	Total amount already paid
SHIP Senri Building (Toyonaka-shi, Osaka)	Renewal of air conditioners in common areas (Phase 3)	From: Oct. 2026 To: Dec. 2026	79,900	-	-
NOAH GARDEN LEGEND (Sapporo-shi, Hokkaido)	Renovation of exterior walls	From: May. 2026 To: Aug. 2026	24,192	-	-
NOAH GARDEN CASA RICH (Sapporo-shi, Hokkaido)	Renovation of exterior walls	From: Jul. 2026 To: Oct. 2026	19,152	-	-

2. Capital Expenditures During Period

Of construction work falling under the category of capital expenditures conducted in the current fiscal period for assets owned by HCM as of July 31, 2026, the following are the major amounts.

Name of real estate (Location)	Purpose	Period	Construction costs (thousands of yen)
SHIP Senri Building (Toyonaka-shi, Osaka)	Renewal of air conditioners in common areas (Phase 2)	From: Mar. 2026 To: Jun. 2026	107,281
GOOD TIME HOME Fudo-mae (Shinagawa-ku, Tokyo)	Renovation of retaining wall	From: Mar. 2026 To: Apr. 2026	35,750
Hanakotoba Oppama (Yokosuka-shi, Kanagawa)	Renewal of LED lighting in rooms and common areas	From: May. 2026 To: May. 2026	7,040
Other real estate	-	-	84,371
Total			234,442

3. Reserves for Long-term Repair Plans

Not applicable.

Transactions During the Period

1. Transactions of Real Estate and Asset-Backed Securities, Infrastructure Assets and Infrastructure-Related Assets

Not applicable.

2. Transactions of Other Assets

Not applicable.

3. Survey of Specified Asset Value

(1) Real estate

Not applicable.

(2) Anonymous Partnership Equity Interest

Not applicable.

(3) Other

Not applicable.

4. Transactions with Interested Persons

(1) Transactions with interested persons

Not applicable.

(2) Amount of fees paid

Classification	Total Amount of Fees Paid (A) (thousands of yen)	Breakdown of Transactions with Interested Persons		Share of Total
		Payment Recipient	Payment Amount (B) (thousands of yen)	B / A (%) (Note 2)
Interest expenses (Note 3)	251,424	Sumitomo Mitsui Banking Corporation	112,745	44.84
Borrowing expenses (Note 4)	67,268	Sumitomo Mitsui Banking Corporation	44,237	65.76

(Note 1) The term "interested persons" refers to interested persons for HCM's asset management company as defined in Article 123 of Order for Enforcement of the Act on Investment Trusts and Investment Corporations and Article 26, Paragraph 1, Item 27 of the Regulations Concerning Investment Management Report of Investment Trusts and Investment Corporations of Investment Management Association of Japan. The above table adds transactions with interested persons (including special purpose companies to which interested persons are entrusted with asset management; however, this excludes the asset management company itself) as defined in the internal rules of the asset management company.

(Note 2) Percentages (%) of each total amount are rounded to the second decimal place.

(Note 3) Payment Amount (B) includes amounts recorded as an expense in the current period, including accrued interest as well as interest paid.

(Note 4) Payment Amount (B) lists Borrowing expenses paid that were recorded as an expense in the current period.

5. Transactions with the Asset Management Company for its Concurrent Businesses

Healthcare Asset Management Co., Ltd., HCM's asset management company, concurrently engages in Type 2 Financial Instruments Business and Building Lots and Buildings Transaction Business, but there are no applicable transactions. It does not concurrently engage in any Type 1 Financial Instruments Business or Specified Joint Real Estate Ventures, and there are no applicable transactions.

Other

1. Disclosure of Proprietary Investment Trust Beneficiary Certificates

Not applicable.

2. Notices

(1) General Unitholders' Meeting

Not applicable.

(2) Investment Corporation Board of Directors

Not applicable.

3. Disclosure of Overseas Real Estate Holding Corporations and their Held Real Estate

Not applicable.

4. Handling of Fractional Amounts and Percentages

In this document, unless otherwise indicated, amounts are rounded down to the nearest unit and percentages are rounded to the first decimal place.

1. Financial Statements

(1) Balance Sheet

(Unit: thousands of yen)

	Previous fiscal period (As of Jan. 31, 2026)	Current fiscal period (As of Jul. 31, 2026)
Assets		
Current assets		
Cash and deposits	2,524,496	2,818,525
Cash and deposits in trust	317,530	250,150
Operating accounts receivable	46,654	50,170
Prepaid expenses	160,719	148,038
Corporate income taxes refund receivable	742	1,144
Consumption taxes receivable	10,240	-
Derivative receivables	72,306	40,962
Total current assets	3,132,692	3,308,992
Non-current assets		
Property, plant and equipment		
Buildings in trust	*1 44,657,650	*1 44,813,428
Accumulated depreciation	(8,838,264)	(9,422,411)
Buildings in trust, net	35,819,386	35,391,016
Structures in trust	145,090	183,689
Accumulated depreciation	(34,308)	(38,054)
Structures in trust, net	110,781	145,635
Machinery and equipment in trust	20,956	20,956
Accumulated depreciation	(12,632)	(13,680)
Machinery and equipment in trust, net	8,323	7,275
Tools, furniture and fixtures in trust	531,752	569,553
Accumulated depreciation	(355,464)	(390,582)
Tools, furniture and fixtures in trust, net	176,288	178,971
Land in trust	48,143,698	48,143,698
Construction in progress in trust	6,490	-
Total property, plant and equipment	84,264,968	83,866,596
Intangible assets		
Software	815	489
Total intangible assets	815	489
Investments and other assets		
Security deposits	10,000	10,000
Investment securities	197,018	194,217
Long-term prepaid expenses	325,255	262,928
Derivative receivables	846,976	847,923
Deferred tax assets	13	12
Total investments and other assets	1,379,264	1,315,082
Total non-current assets	85,645,048	85,182,167
Deferred assets		
Investment corporation bond issuance costs	8,326	7,285
Total deferred assets	8,326	7,285
Total assets	88,786,067	88,498,445

The accompanying notes are an integral part of these financial statements.

(Unit: thousands of yen)

	Previous fiscal period (As of Jan. 31, 2026)	Current fiscal period (As of Jul. 31, 2026)
Liabilities		
Current liabilities		
Operating accounts payable	68,279	15,684
Short-term loans payable	1,970,000	1,970,000
Current portion of long-term loans payable	5,900,000	5,900,000
Accounts payable - other	85,976	22,690
Accrued expenses	290,923	295,938
Income taxes payable	690	681
Consumption taxes payable	5,888	23,691
Advances received	434,872	438,395
Deposits received	2,636	159
Total current liabilities	8,759,266	8,667,241
Non-current liabilities		
Investment corporation bonds	2,000,000	2,000,000
Long-term loans payable	36,700,000	36,700,000
Tenant leasehold and security deposits	2,145,604	2,145,971
Tenant leasehold and security deposits in trust	185,512	185,512
Deferred tax liabilities	289,206	287,465
Other	365	208
Total non-current liabilities	41,320,689	41,319,158
Total liabilities	50,079,955	49,986,399
Net assets		
Unitholders' equity		
Unitholders' capital	38,323,799	38,323,799
Deduction from unitholders' capital	(1,305,656)	(1,429,324)
Unitholders' capital, net	37,018,143	36,894,475
Surplus		
Unappropriated retained earnings (undisposed loss)	1,057,891	1,016,149
Total surplus	1,057,891	1,016,149
Total unitholders' equity	38,076,034	37,910,625
Valuation and translation adjustments		
Deferred gains or losses on hedges	630,076	601,420
Total valuation and translation adjustments	630,076	601,420
Total net assets	*2 38,706,111	*2 38,512,045
Total liabilities and net assets	88,786,067	88,498,445

The accompanying notes are an integral part of these financial statements.

(2) Statement of Income

(Unit: thousands of yen)

	Previous fiscal period From: Aug. 1, 2025 To: Jan. 31, 2026	Current fiscal period From: Feb. 1, 2026 To: Jul. 31, 2026
Operating revenue		
Leasing business revenues	*1 2,619,972	*1 2,643,517
Other revenue related to leasing business	*1 11,218	*1 11,862
Gain on investments in anonymous partnerships	2,987	3,813
Total operating revenue	2,634,178	2,659,193
Operating expenses		
Expenses related to leasing business	*1 912,255	*1 934,318
Asset management fee	246,548	252,338
Asset custody and administrative service fees	22,527	22,218
Directors' compensation	5,400	5,400
Property tax	37,131	37,582
Other operating expenses	68,454	66,188
Total operating expenses	1,292,317	1,318,047
Operating income	1,341,860	1,341,145
Non-operating income		
Interest income	2,013	2,747
Interest on tax refund	-	35
Reversal of distributions payable	819	376
Miscellaneous income	8,276	-
Total non-operating income	11,109	3,159
Non-operating expenses		
Interest expenses	217,579	251,424
Interest expenses on investment corporation bonds	7,800	7,800
Amortization of investment corporation bond issuance costs	1,040	1,040
Borrowing expenses	67,989	67,268
Total non-operating expenses	294,410	327,534
Ordinary income	1,058,559	1,016,771
Income before income taxes	1,058,559	1,016,771
Income taxes - current	891	862
Income taxes - deferred	(0)	1
Total income taxes	891	863
Net income	1,057,668	1,015,907
Retained earnings brought forward	222	242
Unappropriated retained earnings (undisposed loss)	1,057,891	1,016,149

The accompanying notes are an integral part of these financial statements.

(3) Statement of Unitholders' Equity

Previous 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		(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	*1 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			(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

The accompanying notes are an integral part of these financial statements.

Current fiscal period (from February 1, 2026, to July 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	(1,305,656)	37,018,143	1,057,891	1,057,891	38,076,034
Changes of items during period						
Dividends of surplus				(1,057,649)	(1,057,649)	(1,057,649)
Distributions in excess of earnings		(123,668)	(123,668)			(123,668)
Net income				1,015,907	1,015,907	1,015,907
Changes of items other than unitholders' equity during period, net						
Total changes of items during the period	-	(123,668)	(123,668)	(41,741)	(41,741)	(165,409)
Balance at end of current period	*1 38,323,799	(1,429,324)	36,894,475	1,016,149	1,016,149	37,910,625

(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	630,076	630,076	38,706,111
Changes of items during period			
Dividends of surplus			(1,057,649)
Distributions in excess of earnings			(123,668)
Net income			1,015,907
Changes of items other than unitholders' equity during period, net	(28,656)	(28,656)	(28,656)
Total changes of items during the period	(28,656)	(28,656)	(194,066)
Balance at end of current period	601,420	601,420	38,512,045

The accompanying notes are an integral part of these financial statements.

(4) Statement of Cash Distributions

(Unit: yen)

Type	Previous fiscal period From: Aug. 1, 2025 To: Jan. 31, 2026	Current fiscal period From: Feb. 1, 2026 To: Jul. 31, 2026
I. Unappropriated retained earnings	1,057,891,022	1,016,149,539
II. Distributions in excess of earnings	123,668,000	125,106,000
Deduction from unitholders' capital	123,668,000	125,106,000
III. Distributions	1,181,317,000	1,141,053,000
[Distributions per unit]	[3,286]	[3,174]
Distributions of earnings	1,057,649,000	1,015,947,000
[Distributions of earnings per unit]	[2,942]	[2,826]
Distributions in excess of earnings	123,668,000	125,106,000
[Distributions in excess of earnings per unit]	[344]	[348]
IV. Retained earnings carried forward	242,022	202,539
Calculation method for distributions	In accordance with the cash distributions policy described in Article 36, Paragraph 1 of its Articles of Incorporation, HCM determines that the amount of distributions shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, and shall be up to its profits as defined in Article 136, Paragraph 1 of the Investment Trust Act. Following this policy, HCM decided to distribute 1,057,649,000 yen, which is approximately the entire amount of unappropriated retained earnings for the current period, as distributions. Accordingly, distributions of earnings per unit were 2,942 yen. Furthermore, in accordance with the policy for cash distributions in excess of earnings provided in Article 36, Paragraph 2 of its Articles of Incorporation, HCM is to make its distributions in excess of earnings (return of capital that falls under the category of distributions reducing unitholders' capital for tax purposes) in each period on a continuous basis, as a rule. During the current fiscal period, HCM decided to distribute 123,668,000 yen, an amount roughly equivalent to 20% of depreciation recorded in the current fiscal period, as distributions in excess of earnings. Accordingly, distributions in excess of earnings per unit came to 344 yen. As a result, distributions per unit came to 3,286 yen.	In accordance with the cash distributions policy described in Article 36, Paragraph 1 of its Articles of Incorporation, HCM determines that the amount of distributions shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation, and shall be up to its profits as defined in Article 136, Paragraph 1 of the Investment Trust Act. Following this policy, HCM decided to distribute 1,015,947,000 yen, which is approximately the entire amount of unappropriated retained earnings for the current period, as distributions. Accordingly, distributions of earnings per unit were 2,826 yen. Furthermore, in accordance with the policy for cash distributions in excess of earnings provided in Article 36, Paragraph 2 of its Articles of Incorporation, HCM is to make its distributions in excess of earnings (return of capital that falls under the category of distributions reducing unitholders' capital for tax purposes) in each period on a continuous basis, as a rule. During the current fiscal period, HCM decided to distribute 125,106,000 yen, an amount roughly equivalent to 20% of depreciation recorded in the current fiscal period, as distributions in excess of earnings. Accordingly, distributions in excess of earnings per unit came to 348 yen. As a result, distributions per unit came to 3,174 yen.

(Note 1) Distributions in excess of earnings are distributed with a target 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.

In addition, as an increase in depreciation expenses is expected in line with the expansion of HCM's asset size and the diversification of its portfolio has progressed, HCM revised its relevant internal rules on August 19, 2026. Accordingly, HCM changed its policy to, in principle, continuously make distributions in excess of earnings each accounting period, from the perspective of stabilizing distributions over the medium to long term, in an amount deemed appropriate, taking into sufficient consideration the amount of capital expenditures necessary to maintain and improve the competitiveness of HCM's assets under management, HCM's financial position and other factors, up to an amount equivalent to 30% of the depreciation recorded in the accounting period immediately before the accounting period when HCM will pay such distributions.

(Note 2) Under the rules of The Investment Management Association of Japan, closed-end investment corporations are allowed to conduct distributions in excess of earnings up to an amount equivalent to the difference between the total accumulated depreciation as of the last day of the current accounting period and the total accumulated depreciation recorded as of the last day of the immediately preceding accounting period (excluding the accumulated depreciation recorded as of the last day of the immediately preceding accounting period for assets that ceased to be recorded during the current accounting period due to transfer, disposal, loss or other similar reasons).

(5) Statement of Cash Flows

(Unit: thousands of yen)

	Previous fiscal period From: Aug. 1, 2025 To: Jan. 31, 2026	Current fiscal period From: Feb. 1, 2026 To: Jul. 31, 2026
Cash flows from operating activities		
Income before income taxes	1,058,559	1,016,771
Depreciation	619,614	625,588
Amortization of investment corporation bond issuance costs	1,040	1,040
Borrowing expenses	67,989	67,268
Interest income	(2,013)	(2,747)
Interest on tax refund	-	(35)
Interest expenses	225,379	259,224
Decrease (increase) in operating accounts receivable	(1,400)	(3,515)
Decrease (increase) in consumption taxes receivable	(10,240)	10,240
Decrease (increase) in prepaid expenses	(2,302)	38
Increase (decrease) in operating accounts payable	51,261	(52,594)
Increase (decrease) in accounts payable - other	2,069	(871)
Increase (decrease) in consumption taxes payable	(5,516)	17,802
Increase (decrease) in accrued expenses	6,957	5,466
Increase (decrease) in advances received	16,013	3,523
Decrease (increase) in long-term prepaid expenses	5,767	9,316
Increase (decrease) in deposits received	2,473	(2,476)
Decrease (increase) in investment securities	228	800
Increase (decrease) in tenant leasehold and security deposits in trust	(9,104)	-
Other, net	(851)	528
Subtotal	2,025,927	1,955,369
Interest income received	2,013	2,747
Interest on tax refund received	-	35
Interest expenses paid	(222,525)	(259,676)
Income taxes paid	(1,388)	(1,273)
Net cash provided by (used in) operating activities	1,804,026	1,697,202
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(4,229,700)	(290,807)
Proceeds from tenant leasehold and security deposits	190,522	367
Repayments of tenant leasehold and security deposits	(3,000)	-
Proceeds from repayment of investment securities	5,085	2,001
Net cash provided by (used in) investing activities	(4,037,092)	(288,439)
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	(145,757)	(1,615)
Dividends paid	(1,137,576)	(1,180,500)
Net cash provided by (used in) financing activities	2,475,770	(1,182,115)
Net increase (decrease) in cash and cash equivalents	242,704	226,648
Cash and cash equivalents at beginning of period	2,413,811	2,656,515
Cash and cash equivalents at end of period	*1 2,656,515	*1 2,883,163

The accompanying notes are an integral part of these financial statements.

(6) Notes to Financial Statements

[Organization]

Healthcare & Medical Investment Corporation (hereinafter, "HCM") was established under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter, the "Investment Trust Act") with Healthcare Asset Management Co., Ltd. (hereinafter, the "Asset Management Company" or "HAM") as the organizer on December 9, 2014. HCM was listed on the Real Estate Investment Trust Securities Market of Tokyo Stock Exchange, Inc. (hereinafter, the "Tokyo Stock Exchange") on March 19, 2015 (securities code: 3455).

The total number of investment units issued and outstanding as of the end of the fiscal period ended July 2026 (February 1, 2026 to July 31, 2026) (hereinafter, the "23rd fiscal period" or the "current fiscal period") stands at 359,500 units.

[Basis of Presentation]

The accompanying financial statements have been prepared in accordance with the provisions set forth in the Investment Trusts Act, the Financial Instruments and Exchange Act of Japan and other related accounting regulations, and in conformity with accounting principles generally accepted in Japan (hereinafter, "Japanese GAAP"), which are different in certain aspects as to the application and disclosure requirements from International Financial Reporting Standards (hereinafter, "IFRS") or accounting principles generally accepted in the United States of America (hereinafter, "U.S. GAAP").

The accompanying financial statements are the translation of the financial statements presented in the securities report of the Investment Corporation submitted to the Kanto Local Finance Bureau, which have been prepared in compliance with Japanese GAAP, translated into English.

Amounts less than one thousand yen have been omitted. As a result, the totals presented in the accompanying financial statements in yen do not necessarily agree with the sums of the individual amounts. HCM does not have subsidiaries and thus does not prepare consolidated financial statements.

The accounting periods of HCM are six-month periods ending at the end of January and the end of July of each year.

[Going Concern Assumption]

Not applicable.

[Summary of Significant Accounting Policies]

1. Valuation standards and methods for assets	Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method. Concerning anonymous partnership (tokumei kumiai, "TK") interests, the method of incorporating the amount of equity equivalent to the portion that corresponds to the net gain or loss of the TK is adopted.
2. Method of depreciation of non-current assets	(1) Property, plant and equipment The straight-line method is adopted. The useful life of principal property, plant and equipment is as follows. Buildings in trust 3-85 years Structures in trust 10-53 years Machinery and equipment in trust 10 years Tools, furniture and fixtures in trust 6-15 years (2) Intangible assets The straight-line method is adopted.
3. Accounting for deferred assets	Investment corporation bond issuance costs Amortized using the straight-line method over the maturity period.
4. Standards for revenue and expense recognition	(1) Accounting for property taxes For property tax, city planning tax, depreciable asset tax on real estate owned, the accounting is that, of the tax amount assessed and determined, the amount corresponding to the concerned accounting period is expensed as expenses related to the leasing business. In connection with the acquisition of real estate, including trust beneficiary interests in real estate, the amount equivalent to real property tax for the initial fiscal year, which was settled with the seller, is not recorded as expenses but included in the cost of acquisition of the concerned real estate. The amount equivalent to property tax included in the cost of acquisition of real estate was 6,609 thousand yen for the previous fiscal period and not applicable for the current fiscal period. (2) Accounting standard for revenue recognition The contents of major performance obligations concerning revenue arising from contracts with customers of HCM and the general timing to satisfy such performance obligations (general timing to recognize the revenue) are as follows: Sale of real estate With regard to the sale of real estate, revenue is recorded when the buyer (customer) obtains control of the real estate as a result of HCM fulfilling the delivery obligation set forth in the contract pertaining to the sale of real estate.
5. Method of hedge accounting	(1) Hedge accounting approach Deferred hedge accounting. (2) Hedging instruments and hedged items Hedging instrument: Interest rate swap transactions Hedged items: Interest on loans (3) Hedging policy HCM conducts interest rate swap transactions for the purpose of hedging the risks provided in its Articles of Incorporation, pursuant to the basic policy of risk management. (4) Method of assessing hedge effectiveness Hedge effectiveness is assessed by comparing the cumulative fluctuation of cash flows for hedging instruments and the cumulative fluctuation of cash flows for hedge items and confirming the ratio of both fluctuations.
6. Scope of cash and cash equivalents stated in the statement of cash flows	Cash and cash equivalents in the statement of cash flows are comprised of cash on hand and cash in trust, demand deposits and deposits in trust, and short-term investments with a maturity of three months or less from the date of acquisition that are readily convertible into cash and that are subject to an insignificant risk of changes in value.
7. Other matters serving as the basis for preparation of financial statements	(1) Accounting policy for trust beneficiary interests in real estate Concerning trust beneficiary interests in real estate owned, all accounts of assets and liabilities within trust assets, as well as all accounts of revenue and expenses from the trust assets are recognized in the relevant line item account of the balance sheet and the statement of income. The following material items for the trust assets recognized in the relevant line item account are separately listed on the balance sheet. 1) Cash and deposits in trust 2) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; land in trust, construction in progress in trust 3) Tenant leasehold and security deposits in trust (2) Accounting for non-deductible consumption tax

	Non-deductible consumption taxes on the acquisition of assets is included in the cost of the acquisition of each asset.

[Unapplied Accounting Standards, etc.]
[Accounting Standards for Leases, etc.]
"Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024)
"Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024), etc.

1. Overview
As part of efforts to make Japanese GAAP internationally consistent, ASBJ conducted a study to develop an accounting standard for leases that recognizes an asset and a liability for all leases of a lessee, based on international accounting standards. The basic policy is to use the single accounting model of IFRS 16 as a basis, but to adopt only the main provisions of IFRS 16 rather than all the provisions of IFRS 16. As a result, lease accounting standards and other standards were issued with the aim of making them simple, convenient, and basically free of modifications. A single accounting model for allocating the cost of a lease to the lessee is applied to all leases, regardless of whether the lease is a finance lease or an operating lease, with depreciation on the right-of-use asset and interest expense on the lease liability.

2. Effective date
Effective from the beginning of the fiscal year ending January 31, 2028.

3. Effect of adoption of the accounting standard
The impact of the adoption of the “Accounting Standard for Leases” and other related standards on the financial statements is currently being evaluated.

[Accounting Standards for Subsequent Event, etc.]
"Accounting Standard for Subsequent Event" (ASBJ Statement No. 41, January 9, 2026)
"Guidance on Accounting Standard for Subsequent Event" (ASBJ Guidance No. 35, January 9, 2026)

1. Overview
The “Accounting Standard for Subsequent Events” and related documents prioritize the establishment of comprehensive accounting standards addressing the definition, accounting treatment, and disclosure of subsequent events. As a fundamental policy, they will generally adopt the accounting provisions set forth in the Japan Institute of Certified Public Accountants (JICPA) Audit and Assurance Standards Committee’s Audit Standards Report No. 560, Practice Guide No. 1 “Audit Considerations Regarding Subsequent Events,” and to transfer them to the Accounting Standards Board of Japan. It revises the wording and clarifies the evaluation period for subsequent events, while also introducing new requirements such as notes regarding the approval of financial statement disclosure, thereby establishing accounting treatment and disclosure requirements for subsequent events.

2. Effective date
Effective from the beginning of the fiscal year ending January 31, 2028.

3. Effect of adoption of the accounting standard
The impact of the adoption of the “Accounting Standard for Subsequent Events” and other related standards on the financial statements is currently being evaluated.

[Balance Sheet]

*1 Government grants received related to assets acquired were deducted from the carrying amount of property, plant and equipment. The amount deducted from the carrying amount was below.

(Unit: thousands of yen)

	Previous fiscal period (As of Jan. 31, 2026)	Current fiscal period (As of Jul. 31, 2026)
Buildings in trust	10,041	10,041

*2 Minimum net assets of at least 50 million yen as required by the Investment Trust Law

(Unit: thousands of yen)

Previous fiscal period (As of Jan. 31, 2026)	Current fiscal period (As of Jul. 31, 2026)
50,000	50,000

[Statement of Income]

*1 Breakdown of operating income (loss) from the real estate leasing business

(Unit: thousands of yen)

	Previous fiscal period From: Aug. 1, 2025 To: Jan. 31, 2026	Current fiscal period From: Feb. 1, 2026 To: Jul. 31, 2026
A. Operating revenue from real estate leasing business		
Leasing business revenues		
Rent revenue	2,619,972	2,643,517
Other revenue related to leasing business		
Other revenue	11,218	11,862
Total operating revenue from real estate leasing business	2,631,190	2,655,380
B. Operating expenses from real estate leasing business		
Expenses related to leasing business		
Property tax	179,316	190,079
Outsourcing expenses	41,139	41,624
Repair expenses	38,242	41,535
Insurance expenses	13,038	13,294
Depreciation	619,287	625,262
Other expenses related to leasing business	21,230	22,522
Total operating expenses from real estate leasing business	912,255	934,318
C. Operating income (loss) from real estate leasing business [A-B]	1,718,934	1,721,061

[Statement of Unitholders' Equity]

*1 Total number of investment units authorized and total number of investment units issued and outstanding

(Unit: thousands of yen)

	Previous fiscal period From: Aug. 1, 2025 To: Jan. 31, 2026	Current fiscal period From: Feb. 1, 2026 To: Jul. 31, 2026
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	359,500 units	359,500 units

[Statement of Cash Flows]

*1 Reconciliation of cash and cash equivalents at end of period and relevant amount on the balance sheet

(Unit: thousands of yen)

	Previous fiscal period From: Aug. 1, 2025 To: Jan. 31, 2026	Current fiscal period From: Feb. 1, 2026 To: Jul. 31, 2026
Cash and deposits	2,524,496	2,818,525
Cash and deposits in trust	317,530	250,150
Restricted deposits in trust (Note)	(185,512)	(185,512)
Cash and cash equivalents	2,656,515	2,883,163

(Note) Restricted deposits in trust refer to deposits in trust reserved for refunds of leaseholds received from tenants.

[Operating Lease Transactions]

Non-cancellable operating leases (lessor side)

(Unit: thousands of yen)

	Previous fiscal period As of Jan. 31, 2026	Current fiscal period As of Jul. 31, 2026
Due within 1 year	1,813,179	1,767,878
Due after 1 year	10,716,758	10,228,918
Total	12,529,937	11,996,796

[Financial Instruments]

1. Our policy on financial instruments

(1) Policy for financial instruments

Pursuant to the policy of conducting stable and sound financial management, HCM raises funds for asset acquisition, repayment of loans by means of loans from banks, issuance of investment corporation bonds or issuance of new investment units. In respect of financing loans and issuing investment corporation bonds, HCM pays attention to extending periods, fixing interest rates and diversifying repayment dates in order to secure financial stability and avoid the risk of rise in interest rates in the future.

Derivative transactions shall be limited to those invested in for the purpose of hedging the risk of fluctuations in interest rates on HCM's loans.

(2) Description of financial instruments and associated risks, and risk management system

Loans and proceeds from issuance of investment corporation bonds are used primarily for the acquisition of trust beneficiary interests in real estate and repayment of debts.

Although borrowings and investment corporation bonds are exposed to liquidity risks on the repayment or maturity date, the impact of rising market interest rates on the management of HCM is limited through appropriate management of the ratio of interest-bearing liabilities, and such risks are controlled through diversification of repayment and redemption dates.

Although borrowings with floating interest rates are exposed to interest rate fluctuation risks, the ratios of loan balances with floating rates and fixed rates against all loans are adjusted according to the financing environment. Furthermore, derivative transactions (interest rate swap transactions) have been used for part of loans with floating rates to avoid interest fluctuation risks and to fix interest payment. Execution/management of derivative transactions carried out for the purpose of hedging interest rate fluctuation risks is conducted pursuant to provisions that stipulate the basic policy of risk management.

Although tenant leasehold and security deposits as well as tenant leasehold and security deposits in trust are deposits from tenants and are exposed to liquidity risks at the time of refunding upon tenants' vacancies, HCM controls liquidity risks by securing liquidity at hand to a certain degree and other measures.

For deposits, such risks are controlled by setting lower limits to the credit rating of financial institutions at which deposits are made (excluding deposits for settlement).

Investment securities are investments in anonymous partnerships, etc., and are exposed to credit risk of the issuers, but the financial conditions of the issuers are periodically monitored.

(3) Supplementary explanation to fair value of financial instruments

Certain assumptions are adopted in the calculation of the fair value of financial instruments. Accordingly, there may be cases where the concerned values will differ when different assumptions are adopted.

2. Fair value of financial instruments

Carrying amount, fair value and difference between the two were as follows. "Investment securities" are not included in the following table (Note 3). In addition, notes to "Cash and deposits," "Cash and deposits in trust" and "short-term loans payable" have been omitted because their fair values approximate their book values. This is due to their nature as cash and as accounts settled over the short term.

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

(Unit: thousands of yen)

	Carrying amount	Fair value	Difference
(1) Current portion of long-term loans payable	5,900,000	5,900,000	-
(2) Investment corporation bonds	2,000,000	1,887,600	(112,400)
(3) Long-term loans payable	36,700,000	36,700,000	-
Total liabilities	44,600,000	44,487,600	(112,400)
(4) Derivative transactions	919,283	919,283	-

Current fiscal period (from February 1, 2026, to July 31, 2026)

(Unit: thousands of yen)

	Carrying amount	Fair value	Difference
(1) Current portion of long-term loans payable	5,900,000	5,900,000	-
(2) Investment corporation bonds	2,000,000	1,885,800	(114,200)
(3) Long-term loans payable	36,700,000	36,700,000	-
Total liabilities	44,600,000	44,485,800	(114,200)
(4) Derivative transactions	888,886	888,886	-

(Note 1) Method of calculation of the fair value of financial instruments and matters concerning derivative transactions

(1) Current portion of long-term loans payable; (3) Long-term loans payable

For those with floating interest rates that reflect market interest rates within a short period of time, the book value is deemed to be a reasonable approximation of the fair value as there are no significant changes in HCM's credit standing after borrowing; therefore, the book value is used as the fair value equivalent. Those with fixed interest rates are calculated by discounting the sum of principal and interest (*) at a reasonable rate estimated for a similar loan that is made corresponding to the remaining period.

(*) For long-term loans with floating interest rates to which special treatment for interest rate swaps is applied (please refer to "Derivative Transactions" below), the sum of principal and interest under the interest rates after the interest rate swaps are indicated.

(2) Investment corporation bonds

Figures are calculated based on the reference statistics of transactions provided by the Japan Securities Dealers Association.

(4) Derivative transactions

Please refer to "Derivative Transactions" below.

(Note 2) Amount of repayment of borrowings and other interest-bearing liabilities scheduled to be due after the account closing date

Previous fiscal period (As of January 31, 2026)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year and within 2 years	Due after 2 years and within 3 years	Due after 3 years and within 4 years	Due after 4 years and within 5 years	Due after 5 years
Investment corporation bonds	-	-	-	2,000,000	-	-
Long-term loans payable	5,900,000	6,050,000	11,250,000	10,050,000	9,350,000	-
Total	5,900,000	6,050,000	11,250,000	12,050,000	9,350,000	-

Current fiscal period (As of July 31, 2026)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year and within 2 years	Due after 2 years and within 3 years	Due after 3 years and within 4 years	Due after 4 years and within 5 years	Due after 5 years
Investment corporation bonds	-	-	-	2,000,000	-	-
Long-term loans payable	5,900,000	13,300,000	8,500,000	8,500,000	6,400,000	-
Total	5,900,000	13,300,000	8,500,000	10,500,000	6,400,000	-

(Note 3) With regard to anonymous partnership equity interest among "investment securities," the treatment in Paragraph 24-16 of the " Guidance on Accounting Standard for Measurement of Fair Value" (ASBJ Guideline No. 31, June 17, 2021) has been applied, and the matters set out in Paragraph 4(1) of the " Guidance on Disclosures about Fair Value of Financial Instruments " (ASBJ Guideline No. 19, March 31, 2020) have not been noted. The balance sheet amount of investments in partnerships, etc. to which this paragraph is applied was 197,018 thousand yen in the previous period and 194,217 thousand yen in the current period.

[Securities]

Previous fiscal period (As of January 31, 2026)

Investments in anonymous partnerships (balance sheet amount: 197,018 thousand yen) are not subject to fair value disclosure in accordance with Paragraph 5 of the “Guidance on Disclosure of Fair Value of Financial Instruments” (ASBJ Guidance No. 19, March 31, 2020).

Current fiscal period (As of July 31, 2026)

Investments in anonymous partnerships (balance sheet amount: 194,217 thousand yen) are not subject to fair value disclosure in accordance with Paragraph 5 of the “Guidance on Disclosure of Fair Value of Financial Instruments” (ASBJ Guidance No. 19, March 31, 2020).

[Derivative Transactions]

1. Derivative transactions to which hedge accounting is not applied

   Previous fiscal period (As of January 31, 2026)

   Not applicable.

   Current fiscal period (As of July 31, 2026)

   Not applicable.

2. Derivative transactions to which hedge accounting is applied

   The following table shows the contracted amount or principal amount equivalent or the like set forth in the contract as of the balance sheet date for each hedge accounting method.

Previous fiscal period (As of January 31, 2026) (Unit: thousands of yen)

Method of hedge accounting	Derivative Instruments	Hedged item	Contract amount		Fair value	Method of calculation for the fair value
				Due after 1 year		
Principle accounting method	Interest rate swap transaction Floating receivable; fixed payable	Long-term loans payable	33,250,000	27,350,000	919,283	Based on the price presented by corresponding financial institutions
Total			33,250,000	27,350,000	919,283	-

Current fiscal period (As of July 31, 2026) (Unit: thousands of yen)

Method of hedge accounting	Derivative Instruments	Hedged item	Contract amount	Due after 1 year	Fair value	Method of calculation for the fair value
Principle accounting method	Interest rate swap transaction Floating receivable; fixed payable	Long-term loans payable	33,250,000	27,350,000	888,886	Based on the price presented by corresponding financial institutions
Total			33,250,000	27,350,000	888,886	-

(Note) Since those with special treatment of interest rate swaps are treated integrally with hedged long-term loans payable, the market values of such are shown as included in the fair value in "(3) Long-term loans payable" in "[Financial Instruments], 2. Fair value of financial instruments" above.

[Retirement Benefits]

Previous fiscal period (As of January 31, 2026)

Not applicable.

Current fiscal period (As of July 31, 2026)

Not applicable.

[Tax-Effect Accounting]

1. Breakdown of deferred tax assets and deferred tax liabilities

(Unit: thousands of yen)

	Previous fiscal period As of Jan. 31, 2026	Current fiscal period As of Jul. 31, 2026
Deferred tax assets		
Non-deductible accrued enterprise tax	13	12
Subtotal deferred tax assets	13	12
Total deferred tax assets	13	12
Deferred tax liabilities		
Deferred gains or losses on hedges	(289,206)	(287,465)
Net deferred tax assets (liabilities)	(289,192)	(287,453)

2. Breakdown of major components that caused any significant differences between the statutory tax rate and the effective income tax rate

(Unit: %)

	Previous fiscal period As of Jan. 31, 2026	Current fiscal period As of Jul. 31, 2026
Statutory tax rate	31.46	31.46
[Adjustments]		
Deductible distributions payable	(31.43)	(31.43)
Other	0.06	0.06
Effective income tax rate	0.08	0.08

3. Changes in tax rates after the balance sheet date

Following the enactment of the "Act for Partial Revision of the Income Tax Act, etc." (Act No. 13 of 2025) by the Diet on March 31, 2025, the "Defense Special Corporation Tax" will be imposed from the business period beginning on or after April 1, 2026. Accordingly, the effective statutory tax rate used to measure deferred tax assets and deferred tax liabilities for temporary differences expected to reverse in the operating period beginning August 1, 2026 has been changed from 31.46% to 32.34%. There is no impact from this change in the tax rate on the financial statements for the current fiscal period.

[Share of Profit (Loss) of Affiliates Accounted for Using Equity Method]

Previous fiscal period (As of January 31, 2026)

Not applicable.

Current fiscal period (As of July 31, 2026)

Not applicable.

[Related-Party Transactions]

1. Parent company, major corporate unitholders.

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

Not applicable.

Current fiscal period (from February 1, 2026, to July 31, 2026)

Not applicable.

2. Affiliated company and other

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

Not applicable.

Current fiscal period (from February 1, 2026, to July 31, 2026)

Not applicable.

3. Fellow subsidiary company and other

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

Not applicable.

Current fiscal period (from February 1, 2026, to July 31, 2026)

Not applicable.

4. Director, major individual unitholder and other

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

Not applicable.

Current fiscal period (from February 1, 2026, to July 31, 2026)

Not applicable.

[Asset Retirement Obligations]

Previous fiscal period (As of January 31, 2026)

Not applicable.

Current fiscal period (As of July 31, 2026)

Not applicable.

[Investment and Leasing Properties]

HCM owns healthcare facilities (57 properties in total) primarily in the Three Major Metropolitan Areas and Core Cities. The carrying amount, amount of increase (decrease) during the period and fair value of these investment and leasing properties are as follows:

(Unit: thousands of yen)

	Previous fiscal period From: Aug. 1, 2025 To: Jan. 31, 2026	Current fiscal period From: Feb. 1, 2026 To: Jul. 31, 2026
Carrying amount		
Balance at beginning of period	80,675,165	84,264,968
Amount of increase (decrease) during period	3,589,802	(398,372)
Balance at end of period	84,264,968	83,866,596
Fair value at end of period	97,384,000	96,924,000

(Note 1) "Carrying amount" is the amount of the cost of acquisition, less accumulated depreciation.

(Note 2) Out of the amount of increase (decrease) during the previous fiscal period, the amount of increase is mainly attributable to the acquisition of properties (3,970,448 thousand yen). The amount of decrease is mainly attributable to depreciation (619,287 thousand yen) and loss on disposal of fixed assets (125 thousand yen). Out of the amount of increase (decrease) during the fiscal period, the amount of decrease is mainly attributable to depreciation (625,262 thousand yen) and loss on disposal of fixed assets (1,062 thousand yen).

(Note 3) "Fair value at end of period" is the appraisal value or survey value by an outside real estate appraiser.

The profit (loss) concerning investment and leasing properties is as stated in "Statement of Income" above.

[Revenue Recognition]

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

Information has been omitted due to the immateriality of the eligible revenue.

Current fiscal period (from February 1, 2026, to July 31, 2026)

Information has been omitted due to the immateriality of the eligible revenue.

[Segment Information]

1. Segment information

Disclosure has been omitted because HCM operates a single segment, which is the real estate leasing business.

2. Related information

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

(1) Information on products and services

Disclosure has been omitted because net sales to external customers for a single products and services category exceeds 90% of operating revenue on the statement of income.

(2) Information on geographic areas

1) Operating revenues

Disclosure has been omitted because net sales to external customers in Japan exceeds 90% of operating revenue on the statement of income.

2) Property, plant and equipment

Disclosure has been omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the balance sheet.

(3) Information on major customers

Name of customer	Revenues from operations (Thousands of yen)	Related segment
GREEN LIFE Co., Ltd.	396,931	Real estate leasing
Sompo Care Inc.	380,330	Real estate leasing
SHIP HEALTHCARE ESTATE, INC.	371,802	Real estate leasing

Current fiscal period (from February 1, 2026, to July 31, 2026)

(1) Information on products and services

Disclosure has been omitted because net sales to external customers for a single products and services category exceeds 90% of operating revenue on the statement of income.

(2) Information on geographic areas

1) Operating revenues

Disclosure has been omitted because net sales to external customers in Japan exceeds 90% of operating revenue on the statement of income.

2) Property, plant and equipment

Disclosure has been omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the balance sheet.

(3) Information on major customers

Name of customer	Revenues from operations (Thousands of yen)	Related segment
GREEN LIFE Co., Ltd.	396,931	Real estate leasing
Sompo Care Inc.	380,330	Real estate leasing
SHIP HEALTHCARE ESTATE, INC.	371,802	Real estate leasing

[Per Unit Information]

	Previous fiscal period From: Aug. 1, 2025 To: Jan. 31, 2026	Current fiscal period From: Feb. 1, 2026 To: Jul. 31, 2026
Net assets per unit	107,666 yen	107,126 yen
Net income per unit	2,942 yen	2,825 yen

(Note 1) Net income per unit is calculated by dividing net income by the average number of investment units during the period (the daily weighted average number of investment units). In addition, diluted net income per unit is not stated because there are no diluted investment units.

(Note 2) The basis for calculation of net income per unit is as follows:

	Previous fiscal period From: Aug. 1, 2025 To: Jan. 31, 2026	Current fiscal period From: Feb. 1, 2026 To: Jul. 31, 2026
Net income (thousands of yen)	1,057,668	1,015,907
Amount not attributable to common unitholders (thousands of yen)	-	-
Net income attributable to common investment units (thousands of yen)	1,057,668	1,015,907
Average number of investment units during period (units)	359,500	359,500

[Significant Subsequent Events]

1. Acquisition of assets

On August 19, 2026, HCM entered into a purchase agreement for the acquisition of trust beneficiary interests in the following 14 real estate properties ("Assets to Be Acquired in the 24th Fiscal Period"), and on September 1, 2026, HCM acquired “Haruyama Memorial Hospital (Land)”, ”TSUKUI SUNFOREST Sapporo Yamahana”, ”TSUKUI SUNSHINE Yokohama Noge”, ”TSUKUI SUNSHINE Sagamihara”, “Classic Community Yokohama”, ”Soshigaya Carepark SOYOKAZE”, “Care Village Minori”, “Kuroiso Carecenter SOYOKAZE”, “Sunny Life Shinkotoni”, “Nerimayahara Carepark SOYOKAZE”, “Medical Rehabilitation Home Granda Toyotamotomachi” and ”SAWAYAKA Higashi-Osakakan”. HCM also acquired “Sunny Life Higashi-Kurume” and “Sunny Life Higashi-Yamato” on September 30, 2026.

Property number	Property name	Location	Acquisition price (Note) (millions of yen)	Date of acquisition
Medical service-related facilities, etc.-2	Haruyama Memorial Hospital (Land)	Shinjuku-ku, Tokyo	3,439	Sep. 1, 2026
Serviced housing for the elderly-5	TSUKUI SUNFOREST Sapporo Yamahana	Sapporo-shi, Hokkaido	624	Sep. 1, 2026
Paid nursing home-53	TSUKUI SUNSHINE Yokohama Noge	Yokohama-shi, Kanagawa	2,198	Sep. 1, 2026
Paid nursing home-54	TSUKUI SUNSHINE Sagamihara	Sagamihara-shi, Kanagawa	2,090	Sep. 1, 2026
Serviced housing for the elderly-6	Classic Community Yokohama	Yokohama-shi, Kanagawa	1,512	Sep. 1, 2026
Serviced housing for the elderly-7	Soshigaya Carepark SOYOKAZE	Setagaya-ku, Tokyo	1,214	Sep. 1, 2026
Paid nursing home-55	Care Village Minori	Niiza-shi, Saitama	1,780	Sep. 1, 2026
Group homes for the elderly with dementia-1	Kuroiso Carecenter SOYOKAZE	Nasushiobara-shi, Tochigi	428	Sep. 1, 2026
Paid nursing home-56	Sunny Life Shinkotoni	Sapporo-shi, Hokkaido	1,555	Sep. 1, 2026
Paid nursing home-57	Nerimayahara Carepark SOYOKAZE	Nerima-ku, Tokyo	1,484	Sep. 1, 2026
Paid nursing home-58	Medical Rehabilitation Home Granda Toyotamotomachi	Toyota-shi, Aichi	1,170	Sep. 1, 2026
Paid nursing home-59	SAWAYAKA Higashi-Osakakan	Higashiosaka-shi, Osaka	1,402	Sep. 1, 2026
Paid nursing home-60	Sunny Life Higashi-Kurume	Higashikurume-shi, Tokyo	1,770	Sep. 30, 2026
Paid nursing home-61	Sunny Life Higashi-Yamato	Higashiyamato-shi, Tokyo	1,070	Sep. 30, 2026
Total	-	-	21,736	-

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

2. Issuance of new investment units

In accordance with the resolutions of the Board of Directors on August 19, 2026, and August 26, 2026, HCM determined to issue new investment units as follows and to use the proceeds to fund a portion of the acquisition of the Assets to Be Acquired in the 24th Fiscal Period. Payment for the new investment units by public offering was completed on September 1, 2026. Payment for the new investment units by third-party allotment was completed on September 29, 2026. As a result, total unitholders' capital amounted to 47,287 million yen and the total number of investment units issued and outstanding was 457,000 units.

Issuance of New Investment Units by Public Offering (Primary Offering)

Number of new investment units issued	: 92,858 units
Issue price (offer price)	: 95,160 yen per unit
Total issue price (total offer price)	: 8,836,367,280 yen
Paid-in amount (issue amount)	: 91,939 yen per unit
Total paid-in amount (total issue amount)	: 8,537,271,662 yen
Payment date	: September 1, 2026 (Tue.)

Issuance of New Investment Units by Third-Party Allotment

Number of new investment units issued	: 4,642 units
Paid-in amount (issue amount)	: 91,939 yen per unit
Total paid-in amount (total issue amount)	: 426,780,838 yen
Payment date	: September 29, 2026 (Tue.)
Allotted party	: SMBC Nikko Securities Inc.

3. Borrowing of funds

HCM executed borrowings to allocate to a portion of the acquisition and its related expenses for the Assets to Be Acquired in the 24th Fiscal Period. A summary of the borrowings is as follows.

Type	Lender	Borrowing amount	Interest rate	Drawdown date	Borrowing method	Repayment date	Repayment method	Security
Long term	Loan syndicate with Sumitomo Mitsui Banking Corporation as an arranger	5,000 million yen	Base interest rate (JBA 1-month Japanese yen TIBOR) + 0.25% (Note)	September 1, 2026	Borrowings based on the individual term loan agreement as of August 28, 2026, with the company on the left as a lender	July 31, 2029	Lump-sum repayment on principal repayment date	Unsecured and unguaranteed
	Loan syndicate with Sumitomo Mitsui Banking Corporation as an arranger	3,000 million yen	Base interest rate (JBA 1-month Japanese yen TIBOR) + 0.35% (Note)	September 1, 2026		July 31, 2030		
	Loan syndicate with Sumitomo Mitsui Banking Corporation as an arranger	2,500 million yen	Base interest rate (JBA 1-month Japanese yen TIBOR) + 0.35% (Note)	September 30, 2026		July 31, 2030		
Short term	Sumitomo Mitsui Banking Corporation	600 million yen	Base interest rate (JBA 1-month Japanese yen TIBOR) + 0.25%	September 30, 2026		September 30, 2027		

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

(7) [Supplementary Schedules]

1) Securities

(a) Stocks

Not applicable.

(b) Securities other than stocks

(Unit: thousands of yen)

Type of Assets	Name	Carrying amount	Appraisal amount (Note)	Appraisal profit/loss	Note
Anonymous Partnership Equity Interest	HC Shukugawa GK	97,240	97,240	-	-
Anonymous Partnership Equity Interest	HC TURF GK	96,977	96,977	-	-
Total		194,217	194,217	-	-

(Note) The appraisal amount is the carrying amount.

2) Contracted amount and fair value of derivative transactions and forward exchange transactions

(Unit: thousands of yen)

Classification	Type	Contracted amount (Note 1)		Fair value (Note 2)
			Due after 1 year	
Transaction other than market transaction	Interest rate swap transaction Floating receivable; fixed payable	33,250,000	27,350,000	888,886
Total		33,250,000	27,350,000	888,886

(Note 1) The contracted amount for interest rate swap transactions is based on the notional principal amount.

(Note 2) The value is calculated by the counterparty of the relevant transaction contract based on the prevailing market interest rate.

3) Property, plant and equipment and intangible assets

(Unit: thousands of yen)

Asset type		Balance at beginning of period	Increase during period	Decrease during period	Balance at end of period	Accumulated depreciation or accumulated amortization	Accumulated depreciation For the period	Net balance at end of period	Notes
Property, plant and equipment	Buildings in trust	44,657,650	158,042	2,265	44,813,428	9,422,411	585,351	35,391,016	-
	Structures in trust	145,090	38,599	-	183,689	38,054	3,745	145,635	-
	Machinery and equipment in trust	20,956	-	-	20,956	13,680	1,047	7,275	-
	Tools, furniture and fixtures in trust	531,752	37,800	-	569,553	390,582	35,118	178,971	-
	Land in trust	48,143,698	-	-	48,143,698	-	-	48,143,698	-
	Construction in progress in trust	6,490	-	6,490	-	-	-	-	-
	Subtotal	93,505,638	234,442	8,755	93,731,325	9,864,728	625,262	83,866,596	-
Intangible assets	Software	14,349	-	-	14,349	13,860	326	489	-
	Subtotal	14,349	-	-	14,349	13,860	326	489	-
Total		93,519,987	234,442	8,755	93,745,674	9,878,589	625,588	83,867,085	-

4) Other specified assets

Trust beneficiary interests in real estate are included in “3) Property, plant and equipment and intangible assets,” above.

5) Investment corporation bonds

(Unit: thousands of yen)

Issue	Issuance date	Balance at beginning of period	Decrease during period	Balance at end of period	Interest rate	Maturity date	Use	Remarks
No. 1 Unsecured Investment Corporation Bond (With pari passu conditions between specified investment corporation bonds) (Social bond)	January 30, 2020	2,000,000	-	2,000,000	0.780%	January 30, 2030	Repayment of loans payable	Unsecured and unguaranteed
Total		2,000,000	-	2,000,000				

(Note) The maturity schedule for investment corporation bonds within five years of the balance sheet date are as follows.

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year and within 2 years	Due after 2 years and within 3 years	Due after 3 years and within 4 years	Due after 4 years and within 5 years
Investment corporation bonds	-	-	-	2,000,000	-

6) Loans

Category	Lender	Drawdown Date	Balance at beginning of period (thousands of yen)	Increase during period (thousands of yen)	Decrease during period (thousands of yen)	Balance at end of period (thousands of yen)	Average interest rate (Note 1)	Repayment date	Repayment method	Use	Remarks
Short-term loans payable	Sumitomo Mitsui Banking Corporation	October 1, 2025	800,000	-	-	800,000	1.22%	October 1, 2026	Lump-sum repayment on maturity	(Note 3)	Unsecured/ Nonguaranteed
	Sumitomo Mitsui Banking Corporation	December 22,2025	1,170,000	-	-	1,170,000	1.22%	December 1,2026	Lump-sum repayment on maturity	(Note 3)	Unsecured/ Nonguaranteed
	Subtotal		1,970,000	-	-	1,970,000					
Current portion of long-term loans payable	Sumitomo Mitsui Banking Corporation	January 31, 2022	2,200,000	-	-	2,200,000	0.61% (Note 2)	January 31, 2027	Lump-sum repayment on maturity	(Note 3)	Unsecured/ Nonguaranteed
	Hiroshima Bank, Ltd.		900,000	-	-	900,000					
	The Dai-ichi Life Insurance Company, Limited		600,000	-	-	600,000					
	Sumitomo Mitsui Trust Bank, Limited		400,000	-	-	400,000					
	Resona Bank, Limited		300,000	-	-	300,000					
	Shinkin Central Bank		300,000	-	-	300,000					
	The Nishi-Nippon City Bank, Ltd.		300,000	-	-	300,000					
	The Bank of Fukuoka, Ltd.		300,000	-	-	300,000					
	San ju San Bank, Ltd.		300,000	-	-	300,000					
	The Higashi-Nippon Bank, Limited		200,000	-	-	200,000					
	The 77 Bank, Ltd.		100,000	-	-	100,000					
	Subtotal		5,900,000	-	-	5,900,000					
Long-term loans payable	Shinkin Central Bank	March 30, 2022	800,000			800,000	0.82% (Note 2)	January 31, 2028	Lump-sum repayment on maturity	(Note 3)	Unsecured/ Nonguaranteed
	Resona Bank, Limited		500,000			500,000					
	The Bank of Fukuoka, Ltd.		300,000			300,000					
	The 77 Bank, Ltd.		300,000			300,000					
	The Dai-ichi Life Insurance Company, Limited		300,000			300,000					
	The Gunma Bank, Ltd.		250,000			250,000					
	The Bank of Yokohama, Ltd.		250,000	-	-	250,000					
	Sumitomo Mitsui Banking Corporation		100,000	-	-	100,000					
	Sumitomo Mitsui Trust Bank, Limited	January 31, 2023	1,500,000	-	-	1,500,000	1.10% (Note 2)	January 31, 2028	Lump-sum repayment on maturity	(Note 3)	Unsecured/ Nonguaranteed
	Sumitomo Mitsui Banking Corporation		450,000	-	-	450,000					
	Resona Bank, Limited		350,000	-	-	350,000					
	The 77 Bank, Ltd.		300,000	-	-	300,000					
	The Nishi-Nippon City Bank, Ltd.		250,000	-	-	250,000					
	SBI Shinsei Bank, Limited		250,000	-	-	250,000					
	Hiroshima Bank, Ltd.		150,000	-	-	150,000					

Category	Lender	Drawdown Date	Balance at beginning of period (thousands of yen)	Increase during period (thousands of yen)	Decrease during period (thousands of yen)	Balance at end of period (thousands of yen)	Average interest rate (Note 1)	Repayment date	Repayment method	Use	Remarks
Long-term loans payable	Sumitomo Mitsui Banking Corporation	January 31, 2023	2,000,000	-	-	2,000,000	1.29% (Note 2)	January 31, 2029	Lump-sum repayment on maturity	(Note 3)	Unsecured/ Nonguaranteed
	Shinkin Central Bank		350,000	-	-	350,000					
	The 77 Bank, Ltd.		350,000	-	-	350,000					
	Resona Bank, Limited		300,000	-	-	300,000					
	The Nishi-Nippon City Bank, Ltd.		250,000	-	-	250,000					
	The Bank of Fukuoka, Ltd.		250,000	-	-	250,000					
	The Gunma Bank, Ltd.		250,000	-	-	250,000					
	SBI Shinsei Bank, Limited		250,000	-	-	250,000					
	Sumitomo Mitsui Banking Corporation	January 31, 2024	3,550,000	-	-	3,550,000	0.98% (Note 2)	July 31, 2028	Lump-sum repayment on maturity	(Note 3)	Unsecured/ Nonguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,100,000	-	-	1,100,000					
	Resona Bank, Limited		550,000	-	-	550,000					
	The Nishi-Nippon City Bank, Ltd.		500,000	-	-	500,000					
	The 77 Bank, Ltd.		400,000	-	-	400,000					
	Shinkin Central Bank		350,000	-	-	350,000					
	SBI Shinsei Bank, Limited		300,000	-	-	300,000					
	The Gunma Bank, Ltd.		250,000	-	-	250,000					
	The Bank of Fukuoka, Ltd.		250,000	-	-	250,000					
	Sumitomo Mitsui Banking Corporation	February 1, 2024	650,000	-	-	650,000	1.16% (Note 2)	July 31, 2029	Lump-sum repayment on maturity	(Note 3)	Unsecured/ Nonguaranteed
	Resona Bank, Limited		600,000	-	-	600,000					
	SBI Shinsei Bank, Limited		550,000	-	-	550,000					
	Aozora Bank, Ltd.		500,000	-	-	500,000					
	Sumitomo Mitsui Trust Bank, Limited		200,000	-	-	200,000					
	Sumitomo Mitsui Banking Corporation	March 29, 2024	800,000	-	-	800,000	1.22% (Note 2)	July 31, 2029	Lump-sum repayment on maturity	(Note 3)	Unsecured/ Nonguaranteed
	The 77 Bank, Ltd.		500,000	-	-	500,000					
	The Gunma Bank, Ltd.		500,000	-	-	500,000					
	The Bank of Fukuoka, Ltd.		200,000	-	-	200,000					
	Sumitomo Mitsui Trust Bank, Limited	January 31, 2025	850,000	-	-	850,000	1.45% (Note 2)	January 31, 2030	Lump-sum repayment on maturity	(Note 3)	Unsecured/ Nonguaranteed
	Sumitomo Mitsui Banking Corporation		800,000	-	-	800,000					
	Resona Bank, Limited		800,000	-	-	800,000					
	SBI Shinsei Bank, Limited		500,000	-	-	500,000					
	The Chiba Bank, Ltd.		500,000	-	-	500,000					
	The Bank of Fukuoka, Ltd.		450,000	-	-	450,000					
	Shinkin Central Bank		450,000	-	-	450,000					
	San ju San Bank, Ltd.		450,000	-	-	450,000					

Category	Lender	Drawdown Date	Balance at beginning of period (thousands of yen)	Increase during period (thousands of yen)	Decrease during period (thousands of yen)	Balance at end of period (thousands of yen)	Average interest rate (Note 1)	Repayment date	Repayment method	Use	Remarks
Long-term loans payable	The Nishi-Nippon City Bank, Ltd.	January 31, 2025	450,000	-	-	450,000	1.45% (Note 2)	January 31, 2030	Lump-sum repayment on maturity	(Note 3)	Unsecured/ Nonguaranteed
	The Higashi-Nippon Bank, Limited		300,000	-	-	300,000					
	The Chiba Bank, Ltd.	September 1, 2025	750,000	-	-	750,000	1.40%	July 31, 2030	Lump-sum repayment on maturity	(Note 3)	Unsecured/ Nonguaranteed
	SBI Shinsei Bank, Limited		600,000	-	-	600,000					
	Aozora Bank, Ltd.		500,000	-	-	500,000					
	Hiroshima Bank, Ltd.		450,000	-	-	450,000					
	San ju San Bank, Ltd.		300,000	-	-	300,000					
	Sumitomo Mitsui Trust Bank, Limited		200,000	-	-	200,000					
	Sumitomo Mitsui Banking Corporation		150,000	-	-	150,000					
	Sumitomo Mitsui Trust Bank, Limited	January 30, 2026	2,200,000	-	-	2,200,000	1.41%	January 31, 2031	Lump-sum repayment on maturity	(Note 3)	Unsecured/ Nonguaranteed
	Sumitomo Mitsui Banking Corporation		2,100,000	-	-	2,100,000					
	SBI Shinsei Bank, Limited		700,000	-	-	700,000					
	The Gunma Bank, Ltd.		500,000	-	-	500,000					
	The Bank of Yokohama, Ltd.		500,000	-	-	500,000					
	Resona Bank, Limited		400,000	-	-	400,000					
	Subtotal		36,700,000	-	-	36,700,000					
Total			44,570,000	-	-	44,570,000					

(Note 1) ”Average Interest rates” are the lending rate for each loan agreement, shown rounded up to the second decimal place.

(Note 2) The interest rate for this borrowing is, in effect, fixed due to the execution of an interest rate swap agreement. The adjusted interest rate in consideration of swap transactions is stated.

(Note 3) The funds are to be used for the acquisition of properties and for the payment of a portion of the related expenses or repayment of existing loans.

(Note 4) The following is the amount of long-term loans payable (excluding “Current portion of long-term loans payable”) scheduled to be due for repayment in each year within five years of the balance sheet date.

(Unit: thousands of yen)

	Due after 1 year and within 2 years	Due after 2 year and within 3 years	Due after 3 years and within 4 years	Due after 4 years and within 5 years
Long-term loans payable	13,300,000	8,500,000	8,500,000	6,400,000