HCM Healthcare & Medical Investment Corporation

Financial Results Briefing materials

Financial Period Ended January 2025
(20th Fiscal Period)

March 18, 2025

Asset Management Company

HAM Healthcare Asset Management Co.,Ltd.

Securities Code : 3455

Index

1. 20th Fiscal Period Highlights

Performance

- Operating revenue :2,522 million yen (+6 million yen from forecast, +8 million yen from previous fiscal period)
- Net income :1,024 million yen (+2 million yen from forecast, △30 million yen from previous fiscal period)
- DPU :3,183 yen (+8 yen (+0.3%) from forecast, △78 yen (△2.4%) from previous fiscal period)
- NAV per unit :138,086 yen (+380 yen (+0.3%) from previous fiscal period)

Portfolio

- Asset size expanded to 54 properties/82.7 billion yen, due to acquisition of new property (1.15 billion yen)
- Total appraisal value of existing properties was flat.
- As of the end of 20th fiscal period, the unrealized gains increased to 12.1 billion yen, and the unrealized gains ratio was 15.0%.
- The portfolio operational rate remained at 100%.

Financial Status

- New short-term borrowing of 1.17 billion yen to fund property acquisition, refinanced 5.55 billion yen in loans with long-term fixed rate.
- Total interest-bearing liabilities at the end of the period stand at 42.82 billion yen, all of which are financed through social finance.
- LTV is 50.6% on book value basis (+0.7pt from the end of previous fiscal period), and 44.2% on appraisal value basis (+0.6pt from the end of previous fiscal period)
- Long-term issuer rating (JCR) is A+ (Stable)

2. Acquisition of Asset in 20th Period

TSUKUI SUNSHINE YOKOHAMA TOTSUKA

Paid nursing home

- Paid nursing home for the elderly with care opened in March 2010. All rooms are private single rooms. Located along a main road, easily accessible by car. View of Mt.Fuji and Enoshima from the rooftop. Focus on lifestyle rehabilitation of residents led by rehabilitation exercise instructors. Improvement in quality of life through recreation activities and interaction among residents.

Acquisition date	December 20, 2024
Acquisition price	1,150 million yen
Appraisal value (Note)	1,190 million yen
Appraisal NOI yield (Note)	4.6%
Location	15-1, Aza Minamimachi, Higashimatano-cho, Totsuka-ku, Yokohama-shi, Kanagawa
Leaseable area /Site area	2,768.33㎡/1,633.84㎡
Structure/number of floors	RC,6F
Number of rooms/resident capacity	66 rooms/66 people
Construction completion	January 2010
Occupancy rate (note)	98.5%
Operator	TSUKUI CORPORATION

(Note) "Appraisal value" and "Appraisal NOI yield" are based on the appraisal report with January 31, 2025 as the date of value. Occupancy rate" is the ratio of the number of residents divided by the number of capacity, rounded to the first decimal place, as stated in the latest Important Information Memorandum for Senior Citizens Facilities/Housing owned by HCM obtained by the asset management company as of the date of this document.

TSUKUI CORPORATION

Head Office Location	1-6-1 Kamiooka-Nishi, Konan-ku, Yokohama-shi, Kanagawa
Establishment	June 1969
Founded	May 2020
Capital stock	5 million yen
Representative	Takeshi Takahata
Number of employees	21,300 people
Number of facilities in Operation (Note)	102 facilities (29 paid nursing homes , 3 residential type paid nursing homes , 16 serviced housing for the elderly, 51 group homes, and 3 hospices)
Remarks	A long-established company which started its nursing care business in 1983. It operates in all 47 prefectures nationwide and is the largest provider of daycare services in Japan. Affiliated with MBK Partners Group since 2021.

福祉に・ずっと・まっすぐ ツクイ

Acquisition Points

Excellent Operator

A major provider of home care services, residential care services, and home nursing services, with more than 550 day care centers nationwide. A new operator for HCM.

Asset Manager's Own Network

Capture the sales need of individual owner through Asset Manager's own network. Acquired the property in a timely manner by utilizing warehousing function provided by a non-sponsor.

(Note) "Number of operated facilities" is the total number of facilities for the elderly, residences, and hospitals operated by each operator, respectively. The figures were compiled by the Asset Manager based on information obtained from each company (including publicly available materials) and information on each company's website (as of March 1, 2025).

Financial Summary

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1. Major Indexes for 20th Fiscal Period

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

Asset (Assets)

Number of properties	54 properties (+1 property)
Total acquisition price	82.7 billion yen (+1.1 billion yen)
Total appraisal value	93.2 billion yen (+1.0 billion yen)
Unrealized gain	12.1 billion yen (+0.1 billion yen)
Average appraisal NOI yield	5.4% (△0.1pt)
Portfolio operational rate	100.0% (±0pt)
Ratio of fixed rents	100.0% (±0pt)
Ratio of investment in three major metropolitan areas	81.6% (+0.2pt)
Average remaining lease term	11.0 years (△0.5 years)

Debt (Liabilities)

Total amount of interest-bearing liabilities	42.82 billion yen (+1.17 billion yen)
Average remaining terms to maturity	3.1 years (+0.1 years)
Average borrowing interest rate	0.96% (+0.11pt)
Ratio of long-term debt	82.3% (△4.4pt)
Ratio of debt with fixed interest rate	97.3% (△2.7pt)
LTV (Book value basis /Appraisal value basis)	50.6%/44.2% (+0.7pt/+0.6pt)
Long-Term Issuer Rating (JCR)	A+ (Stable)

Equity (Net assets)

Market cap	38.1 billion yen (△6.6 billion yen)
DPU	3,183 yen (△78 yen)
Distributions in excess of earnings (Note) (Equivalent to return of capital)	333 yen (+6 yen)
NAV per unit	138,086 yen (+380 yen)

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

2. Actual Results for 20th Fiscal Period

Operating revenue increased due to new property acquisition. Distributions per unit increased by 8 yen compared to the forecast.

(Unit: million yen)

	19th fiscal period (Ended July 2024)	20th Fiscal Period (Ended January 2025)				
	Actual	Forecast (Note 2)	Actual	vs 19th Fiscal Period		vs Forecast
	(A)	(B)	(C)	(C)-(A)	(C)-(A)/(A)	(C)-(B)
Operating revenue	2,514	2,515	**2,522**	+8	+0.3%	+6
Operating expenses	1,215	1,243	**1,249**	+33	+2.7%	+5
Expenses related to leasing business	859	870	**877**	+17	+2.1%	+6
(Depreciation)	588	598	**599**	+10	+1.8%	+1
General and administrative expenses	356	372	**371**	+15	+4.4%	△1
Operating income	1,298	1,272	**1,273**	△24	△1.9%	+1
Non-operating income	0	–	**2**	+1	+396.9%	+2
Non-operating expenses	243	249	**250**	+7	+2.9%	+1
Ordinary income	1,055	1,023	**1,025**	△30	△2.9%	+2
Net income	1,054	1,022	**1,024**	△30	△2.9%	+2
DPU (yen)	3,261	3,175	**3,183**	△78	△2.4%	+8
Distributions of earnings	2,934	2,843	**2,850**	△84	△2.9%	+7
Distributions in excess of earnings (return of capital) (Note 1)	327	332	**333**	+6	+1.8%	+1

20th Fiscal Period Actual Results (vs 19th Fiscal Period)

(Unit: million yen)

Difference in operating revenue (+8)

- Increase in rent revenue due to property acquisition (+6)
- Gain on investments in anonymous partnership(+1)

Difference in operating expenses (+33)

- Increase in expenses related to leasing business (+17)
  - Depreciation (+10)
  - Property insurance premiums(+2)
- Increase in general and administrative expenses (+15)
  - Asset management fee (+7)
  - Unitholders' meeting related expenses (+6)

Difference in Non-operating expenses (+7)

- Increase in interest expenses (+5)

20th Fiscal Period Actual Results (vs Forecast)

(Unit: million yen)

Difference in operating revenue (+6)

- Increase in rent revenue due to property acquisition (+6)

Difference in operating expenses (+5)

- Increase in expenses related to leasing business (+6)
  - Property insurance premiums (+2)

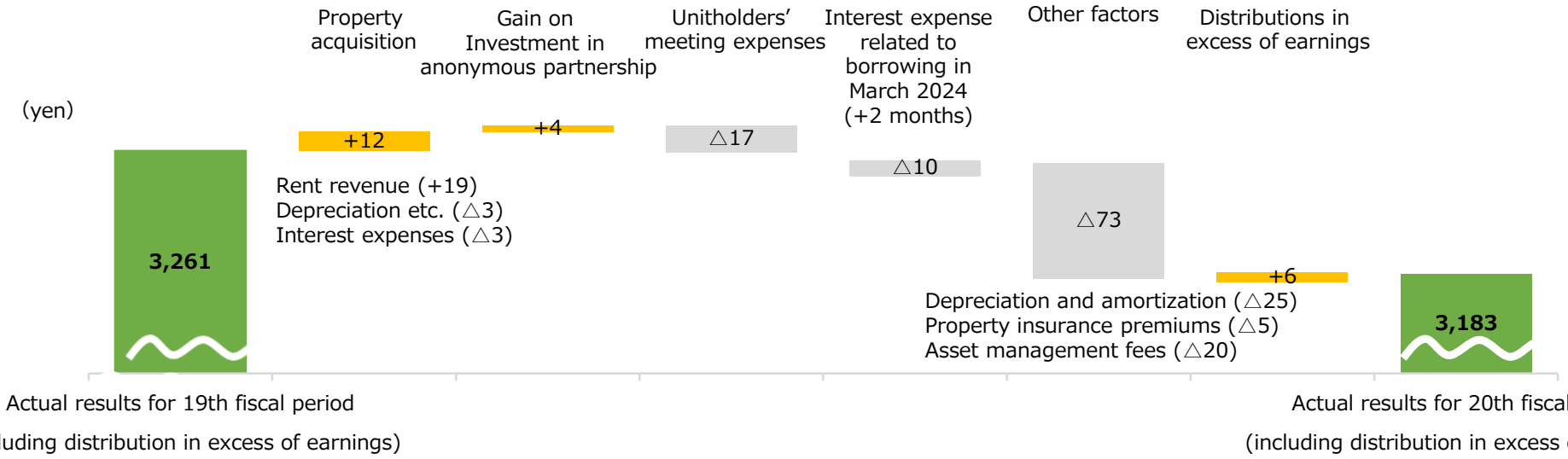
Difference in non-operating expenses (+1)

- Increase in interest expenses (+1)

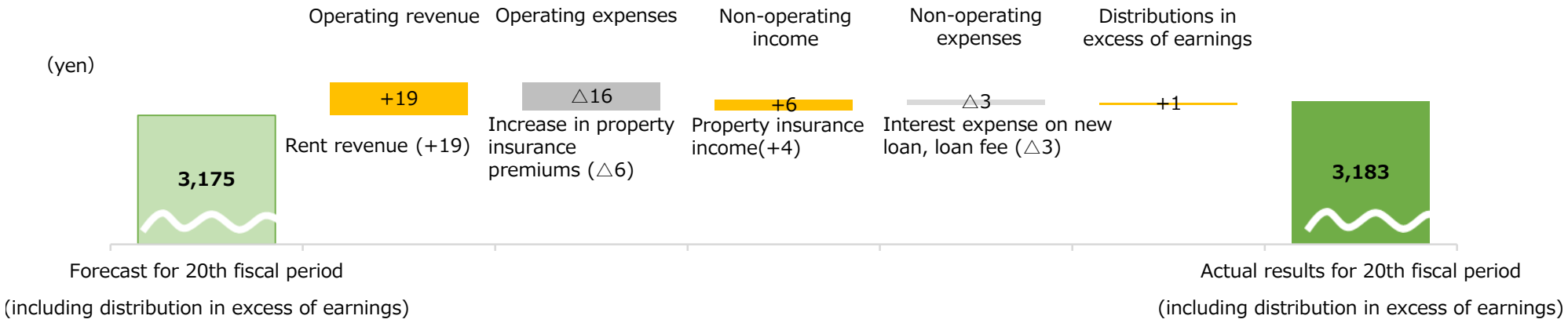
(Note 1) Distributions in excess of earnings refers to distributions carried out targeting around 20% of depreciation equivalent (return of capital).
(Note 2) The forecast for the 20th fiscal period (B) is the forecast announced in the "Financial Report for the Fiscal Year Ended July 31, 2024 (REIT)" dated September 13, 2024.

3. Factors for Increase/Decrease in Distributions for 20th Fiscal Period

Factors for changes in distributions for 20th fiscal period (vs 19th fiscal period)



Factors for changes in distributions for 20th fiscal period (vs forecast)



(Note) Only the major difference factors are listed.

4. Earnings Forecasts for 21th Fiscal Period and 22th Fiscal Period

In 21st fiscal period, while rent revenue from the property acquired in the previous period will contribute to the full year, leasing business related and interest expenses are expected to increase. New earnings/DPU forecast are in line with the initial forecast.

(Unit: million yen)

	20th Fiscal Period (ending January 2025)	21st Fiscal Period (ending July 2025)			22nd Fiscal Period (ending January 2026)	
	Actual	Initial forecast (Note 2)	Forecast (Note 3)	vs 20th fiscal period	Forecast (Note 3)	vs 21st fiscal period forecast
	(A)	(B)	(C)	(C)-(A)	(D)	(D)-(C)
Operating revenue	2,522	2,516	**2,547**	+24	**2,543**	△4
Operating expenses	1,249	1,242	**1,267**	+18	**1,258**	△8
Expenses related to leasing business	877	877	**895**	+18	**891**	△4
(Depreciation)	599	600	**604**	+4	**604**	+0
General and administrative expenses	371	365	**371**	△0	**367**	△4
Operating income	1,273	1,274	**1,280**	+6	**1,284**	+4
Non-operating income	2	–	0	△1	1	+0
Non-operating expenses	250	263	**271**	+21	**276**	+4
Ordinary income	1,025	1,010	**1,009**	△16	**1,009**	△0
Net income	1,024	1,009	**1,008**	△16	**1,008**	△0
DPU (yen)	3,183	3,140	**3,140**	△43	**3,140**	±0
DPU (Excluding distributions in excess of earnings (return of capital)(Note1))	2,850	2,807	**2,804**	△46	**2,804**	±0
Distributions in excess of earnings (return of capital) (Note 1)	333	333	**336**	+3	**336**	±0

(Note 1) Distributions in excess of earnings refers to distributions carried out targeting around 20% of depreciation equivalent (return of capital).
(Note 2) The initial forecast for the 21th Fiscal Period (B) is the forecast figure announced in "(REIT) Financial Report for Fiscal Period Ended July 2024" dated September 13, 2024.
(Note 3) The forecast for the 21th Fiscal Period (C) and The forecast for the 22st Fiscal Period (D) are the forecast figure announced in " (REIT) Financial Report for Fiscal Period Ended January 2025" dated March 18, 2025.

21st Fiscal Period Forecast (Comparison with 20th Fiscal Period Results)

(Unit: million yen)

Difference in operating revenue (+24)

- Full-year contribution of rent revenue from the property acquired in 20th fiscal period (+23)
- Gain on investments in anonymous partnerships(+1)

Difference in operating expenses (+18)

- Increase in expenses related to leasing business (+18)
  - Property taxes(+7)
  - Repair expenses (+8)
  - Depreciation (+4)

Difference in Non-operating expenses (+21)

- Increase in interest expenses (+28)
- Decrease in depreciation of investment unit issuance expenses related to public offering conducted in 15th fiscal period(△5)

22nd Fiscal Period Forecast (Comparison with 21st Fiscal Period Forecast)

(Unit: million yen)

Difference in operating revenue (△4)

- Loss of additional rent revenue related to system investment (EGAOlink) (△3)

Difference in operating expenses (△8)

- Decrease in expenses related to leasing business (△4)
  - repair expenses (△5)
- Decrease in general and administrative expenses (△4)
  - survey expenses (△3)

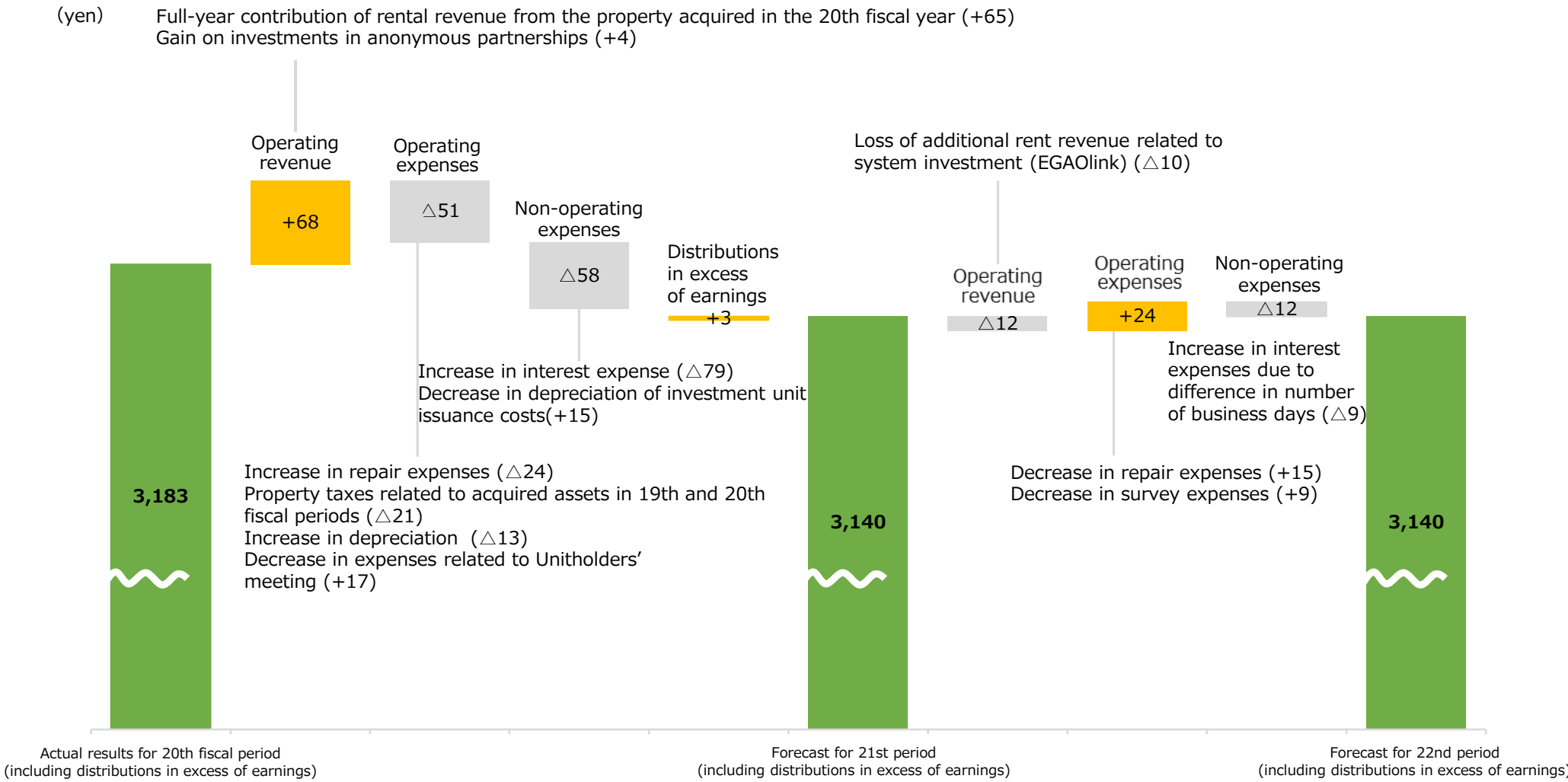
Difference in non-operating expenses (+4)

- Increase in interest expenses (+4)

5. Factors for the Increase/Decrease in Distributions Forecasts for 21th and 22th Fiscal Periods

Factors for increase/decrease in DPU forecast for 21st fiscal period (vs 20th fiscal period actual)

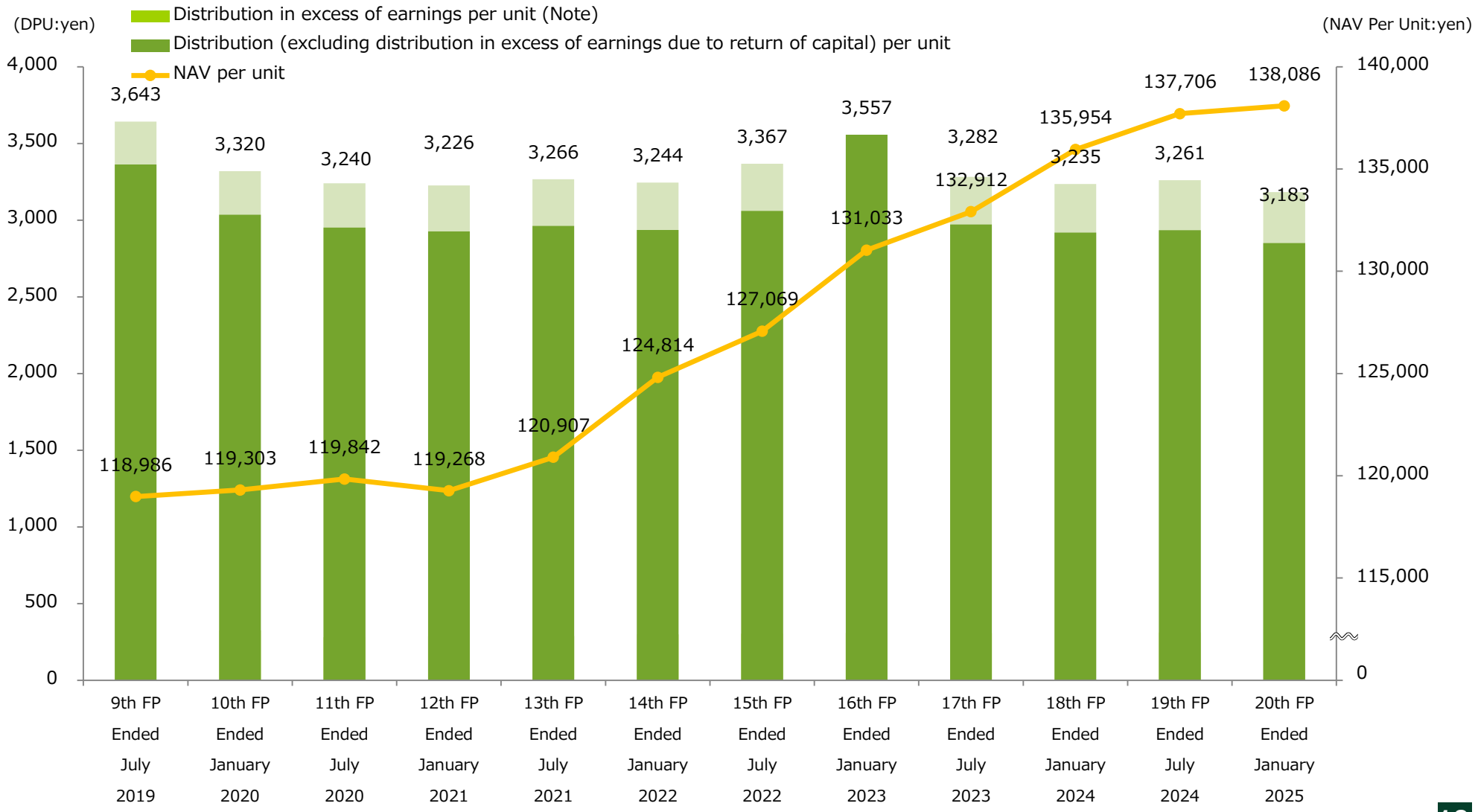
Factors for increase/decrease in DPU forecast for 22nd fiscal period (vs 21st fiscal period forecast)



(Note) Listed only major difference factors.

6. Changes in DPU/NAV Per Unit

NAV per unit increased for 8 consecutive periods. Aim to increase unitholder value through increase in NAV and stable distributions over the medium to long term.



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

Status of Asset Management

II

1. Portfolio Highlights

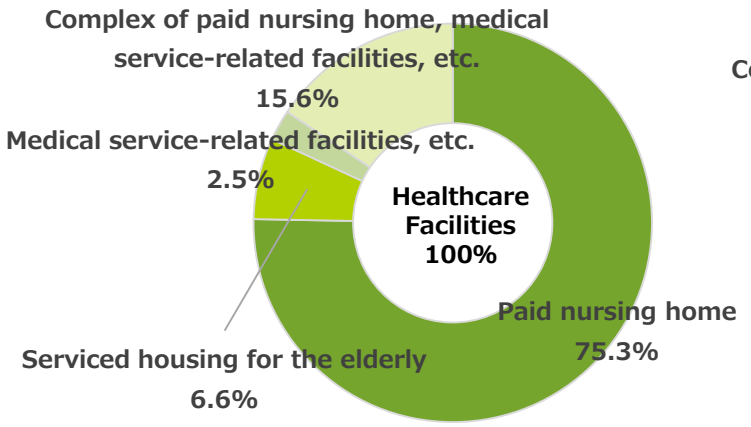
Key Data

Number of properties	Total acquisition price	Total appraisal value (Note 1)	Average appraisal NOI yield
54 properties (+1 property)	82.7 billion yen (+1.1 billion yen)	93.2 billion yen (+1.0 billion yen)	5.4% (△0.1pt)

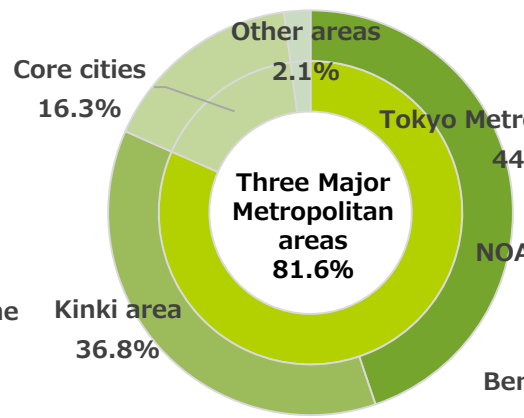
Average building age (Note 1)	Average remaining lease term (Note 1)	Ratio of fixed rents	Portfolio operational rate
18.9 years (+0.5 years)	11.0 years (△0.5 years)	100.0% (±0pt)	100.0% (±0pt)

Portfolio Diversification Status (Note 3)

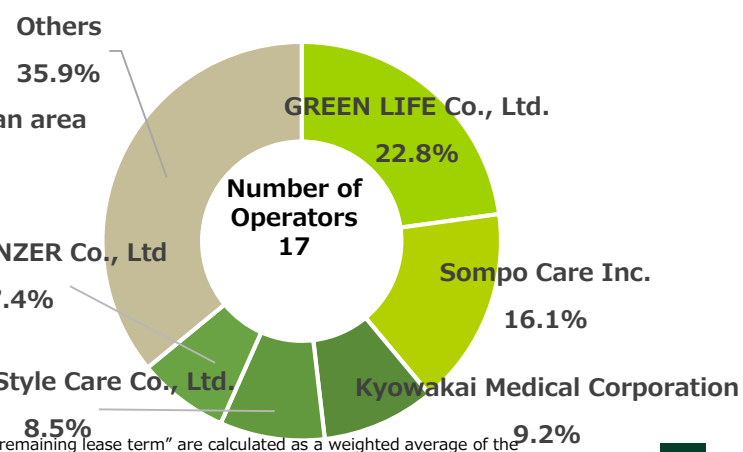
By Type



By Area



By Operator (Note4)



(Note 1) "Total Appraisal Value" is indicated based on the appraisal report with January 31, 2025 as the appraisal date. "Average building age" and "Average remaining lease term" are calculated as a weighted average of the acquisition price with January 31, 2025 as the base dates. The figures are rounded down to the first decimal place. For properties having multiple buildings, they indicate weighted-average figures based on area.
(Note 2) Figures in parentheses are comparison with the end of the 19th FP.
(Note 3) The figures in the graphs are calculated based on acquisition price, rounded off to the second decimal place.
(Note 4) The operators of SHIP Senri Building are separated based on an area basis, with Kyowakai Medical Corporation for the Senri-Chuo Hospital portion and GREEN LIFE for the other portions.

2. Appraisal

Summary of Appraisals

	19th Fiscal Period	20th Fiscal Period	PoP change
Number of Properties	53 properties	54 properties	+1 property
Appraisal Value	92,291 million yen	93,265 million yen (92,075 million yen)	+974 million yen (△216 million yen)
Unrealized gains	12,027 million yen	12,184 million yen	+156 million yen

(Note) Figures in parentheses are excluding assets acquired in the 20th fiscal period.

Changes per property (Note1)

Appraisal Value

(Number of Properties)

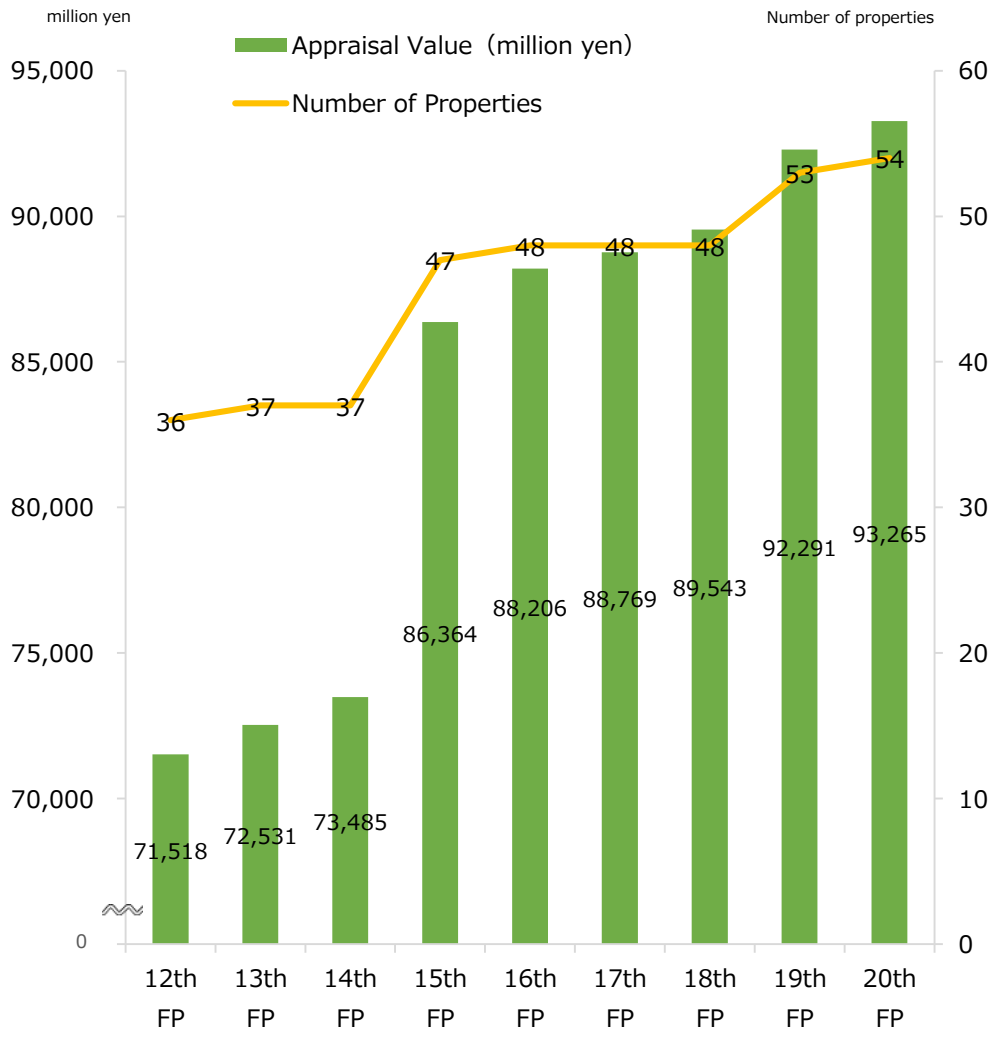
	19th Fiscal Period	20th Fiscal Period
Increase	8	8
Same	38	37
Decrease	7	8

Capitalization Rate (Note2)

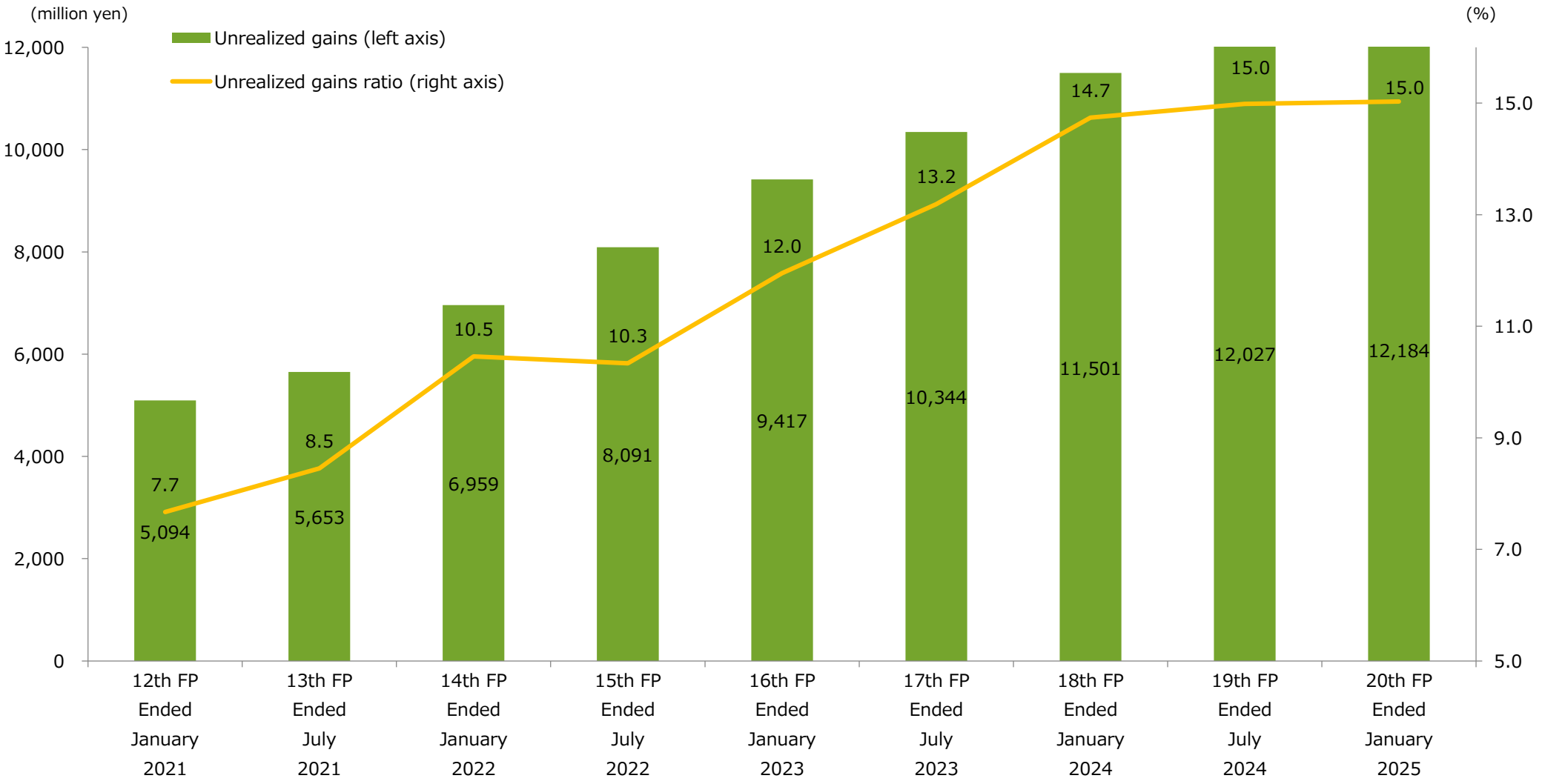
(Number of Properties)

	19th Fiscal Period	20th Fiscal Period
Decrease	3	1
Same	50	52
Increase	0	0

(Note1) Figures are excluding assets acquired in 20th fiscal period.
(Note2) Figures are based on direct capitalization method.



3. Changes in Unrealized Gains

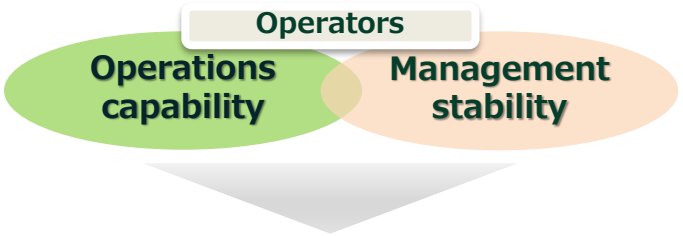


4. Stable Cash Flow in the Long Term①

By leveraging expertise in the healthcare field, HCM stably owns healthcare facilities operated by carefully selected operators.

Business Evaluation of Healthcare Facilities and Operators

HCM has built a stable portfolio through business due diligence and monitoring.



Business due diligence / Monitoring

- ◆ Quantitative and qualitative assessment and analysis
- ◆ Regular visits to facilities and on-site inspections (interviews with facility directors, etc.)

Business profile/activities	Financial status	Organizational management
Business model	Compliance (Abuse prevention etc.)	Staff retainment・Development

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

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

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

Carefully Selected Operators

- 17 operators with strong track records and high creditworthiness, including industry-leading SOMPO Care, Benesse Style Care and GREEN LIFE which is affiliated with SHIP HEALTHCARE.
- Kyowakai is a major medical corporation which operates 6 hospitals (2,108 beds) and 4 geriatric health services facilities (495 beds), etc.

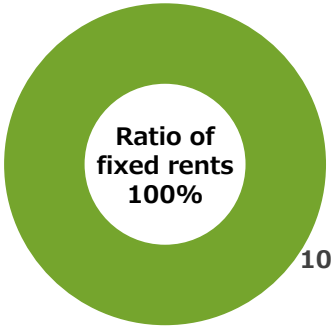
Top Operators (Based on Acquisition Price) (Note 1)

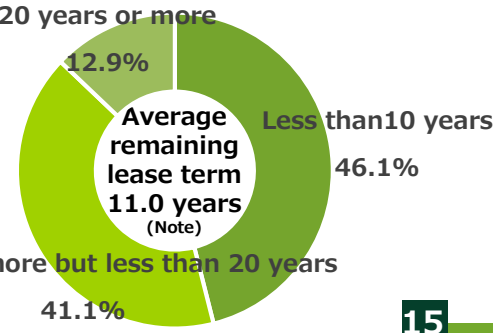
Operator	Total capacity (Note 2)	Share (%)
GREEN LIFE Co., Ltd.	4,753 people (ranked 25th in Japan) (Note 3)	22.8
Sompo Care Inc.	29,777 people (ranked 1st in Japan)	16.1
Kyowakai Medical Corporation	-	9.2
Benesse Style Care Co., Ltd.	20,642 people (ranked 3rd in Japan)	8.5

(Note 1) The operators of SHIP Senri Building are separated based on an area basis, with Kyowakai Medical Corporation for the Senri-Chuo Hospital portion and GREEN LIFE for the other portions.
(Note 2) (From) Weekly Senior Housing Newspaper, August 21・28, 2024 issue (No. 769)
(Note 3) Indicates the figure of Ship Healthcare Holdings Co., Ltd. as a whole.

Stable Rent Revenue in the Long Term

- Long-term fixed-rent lease agreements have been concluded with carefully selected operators.



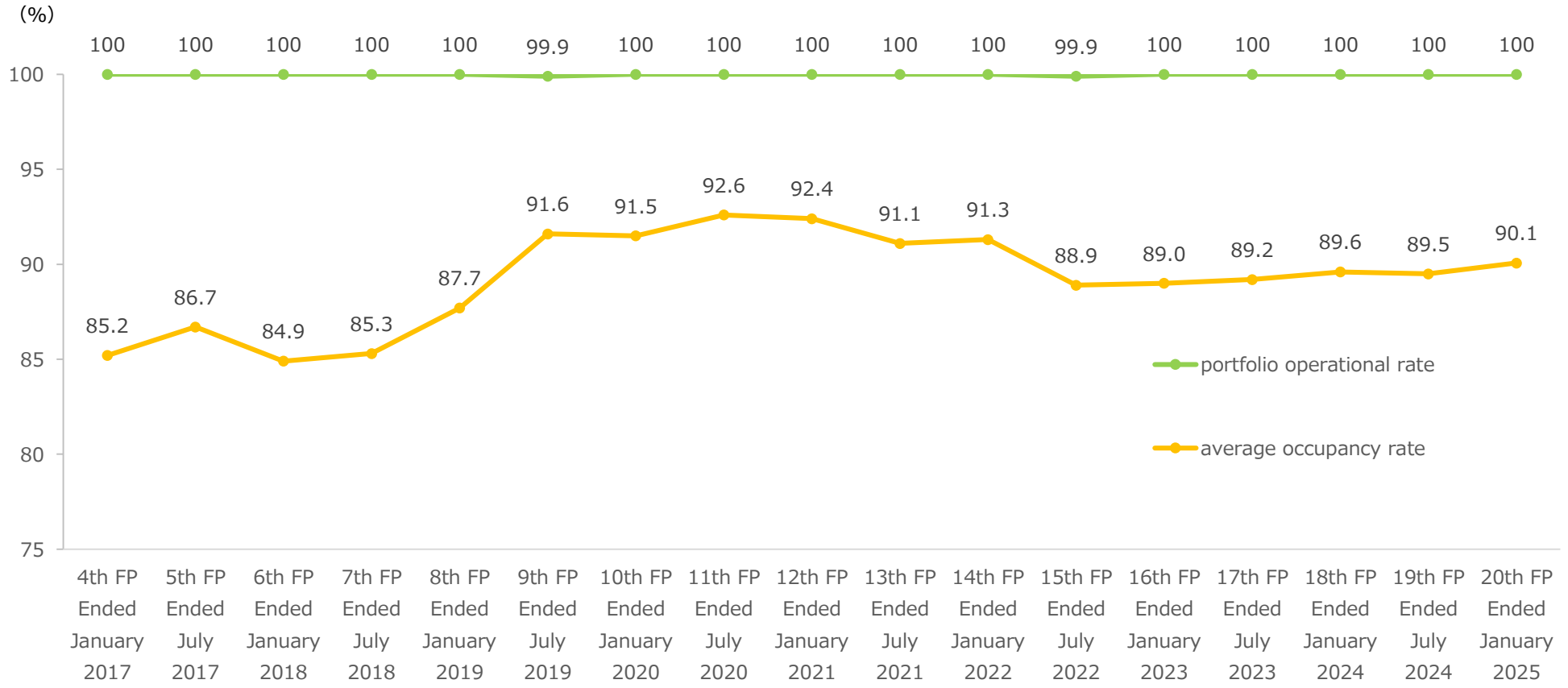


(Note) Calculated based on the weighted average of the acquisition price with January 31, 2025 as the base date, rounded down to the first decimal place.

4. Stable Cash Flow in the Long Term②

Portfolio operational rate of HCM has always been almost 100% since the IPO, and average occupancy rate of each facility is currently around 90%.

Change in Portfolio Operational Rate and Average Occupancy Rate



(Note) Portfolio operational rate indicates the ratio of the rented area to the leasable area of the assets as of the end of each fiscal year, and is rounded off to the second decimal place. Average occupancy rate is the rate obtained by dividing the total number of residents by the total capacity for the facilities and housing for the elderly shown in the Property Disclosure Statement of Important Matters provided by the operator and is rounded off to the second decimal place.

Financial Strategy

II

1. Financial Status ①

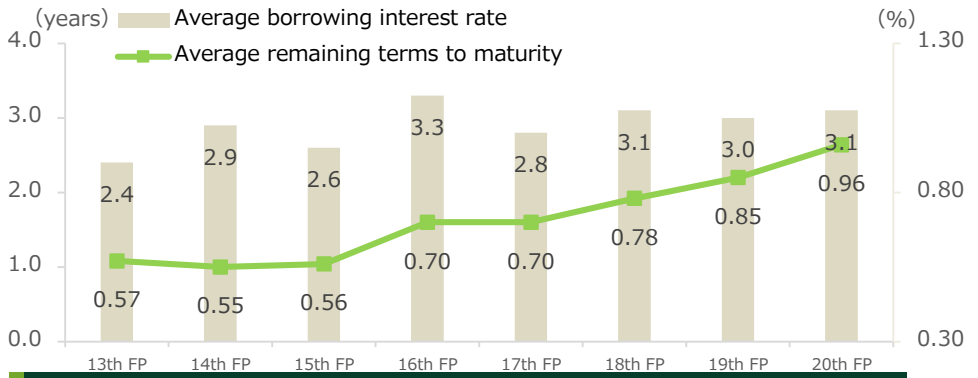
Policy

- **Continue to conduct solid financial management in consideration of financial soundness and impact on distributions.**
  - Closely monitor interest rate fluctuations due to changes in monetary policy by the authorities.
  - Long term and fixed interest rate, in principle. Depending on interest rate environment, short-term or floating rate financing may be considered.
- **Use of leverage**
  - The target LTV has been around 50% on book value basis. Appraisal value basis may also be taken into account.

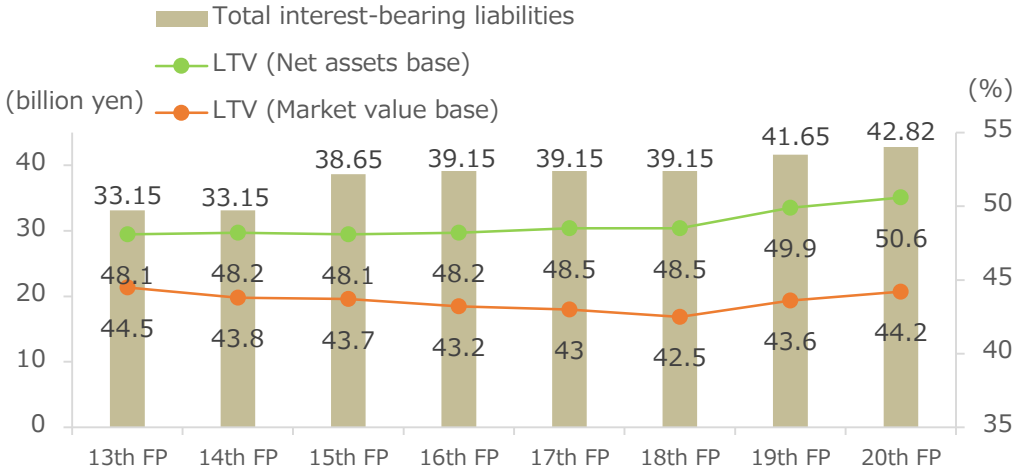
Interest-Bearing Liabilities

		End of 19th fiscal period (Period ending July 2024)	End of 20th fiscal period (Period ending January 2025)	change
Total interest-bearing liabilities	**(billion)**	41.65	42.82	+1.17
(Of which, social loans)	(billion)	39.65	40.82	+1.17
(of which, social bonds)	(billion)	2.00	2.00	±0
Average remaining term	**(year)**	3.0	3.1	+0.1
Fixed interest rate ratio	**(%)**	100.0	97.3	△2.7
LTV (book value basis)	**(%)**	49.9	50.6	+0.7
LTV (appraisal value basis)	**(%)**	43.6	44.2	+0.6
Average interest rate	**(%)**	0.85	0.96	+0.11

Average Remaining Term and Average Interest Rate



LTV and Total Interest-Bearing Liabilities



Status of Ratings and Framework Assessments

JCR Long-term Issuer Rating	JCR Social Finance Framework Rating (Note)
A+ (stable)	**Social 1(F)** (Highest level)

(Note) "JCR Social Finance Framework Evaluation" means a third-party evaluation by JCR of an issuer's or borrower's social bond issuance or social loan borrowing policy (social finance policy) in accordance with the Social Bond Principles prepared by the International Capital Market Association (ICMA).

1. Financial Status ②

Summary of Refinancing

Before refinancing

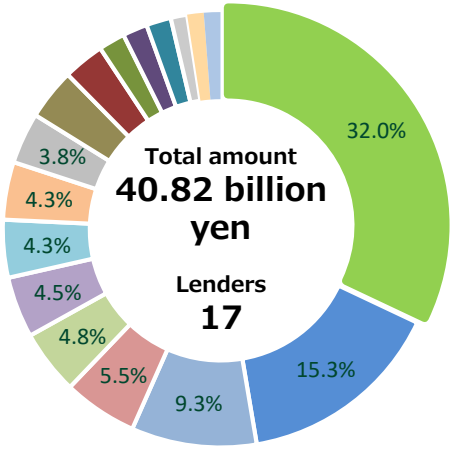
Term	Amount (billions of yen)	Interest rate (Note)	Borrowing date	Borrowing period
long term	4.45	0.54%	Jan. 31, 2020	5.0 years
	1.10	0.38%	Jan. 31, 2022	3.0 years
Total/ Average	5.55	0.51%	-	4.6 years

After refinancing

Term	Amount (billions of yen)	Interest rate (Note)	Borrowing date	Borrowing period
long term	5.55	1.44%	Jan. 31, 2025	5.0 years

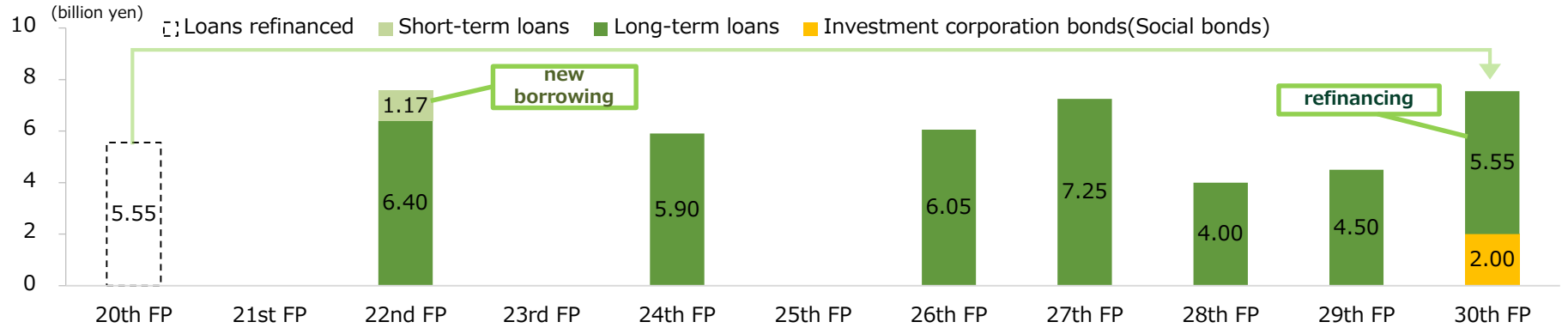
(Note) Interest rates are rounded down to the nearest one decimal place.

Diversification of Lenders



	Amount (billion yen)	Ratio (%)
Sumitomo Mitsui Banking Corporation	13.07	32.0
Sumitomo Mitsui Trust Bank	6.25	15.3
Resona Bank	3.80	9.3
Shinkin Central Bank	2.25	5.5
77 Bank	1.95	4.8
SBI Shinsei Bank	1.85	4.5
Bank of Fukuoka	1.75	4.3
Nishi-Nippon City Bank	1.75	4.3
Dai-ichi Life Insurance Company	1.55	3.8
Hiroshima Bank	1.55	3.8
Gunma Bank	1.25	3.1
Nippon Life Insurance	0.80	2.0
San ju San Bank	0.75	1.8
Bank of Yokohama	0.75	1.8
Higashi-Nippon Bank	0.50	1.2
Aozora Bank	0.50	1.2
NEW Chiba Bank	0.50	1.2
Total	40.82	100.0

Diversification of Maturities



	20th FP	21st FP	22nd FP	23rd FP	24th FP	25th FP	26th FP	27th FP	28th FP	29th FP	30th FP
Interest rates (weighted average)	0.51%	-	0.61%	-	0.61%	-	0.97%	0.98%	1.29%	1.19%	1.27%
Borrowing period (weighted average)	4.6 years	-	3.6 years	-	5.0 years	-	5.4 years	4.5 years	6.0 years	5.4 years	6.3 years

Actions for External Growth

IV

1. External Growth Track Record

Change in Asset Size and Number of Properties

March 2015
- IPO
- Acquired 16 properties (23.6 billion yen)

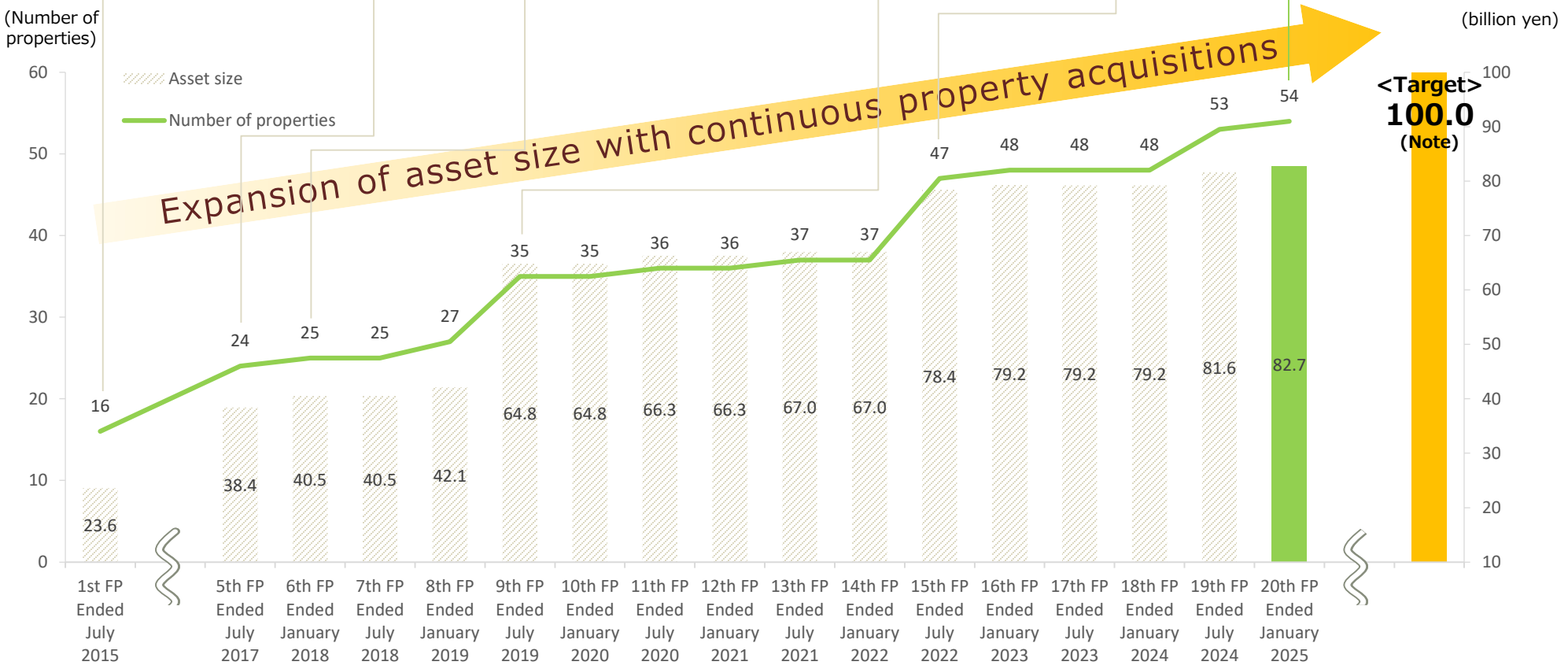
February 2017
- Conducted the first public offering
- Acquired 6 properties (13.4 billion yen)

November 2017
- The first acquisition of hospital property by J-REIT(2.0 billion yen)

February 2019
- Conducted the second public offering
- Acquired 8 properties (22.7 billion yen) including hospital real estate

February 2022
- Conducted the third public offering
- Acquired 10 properties (11.4 billion yen)

December 2024
- Acquired 1 property (1.1 billion yen)



(Note) The target may not be achieved due to future events, market environment and other factors.

2. External Growth Strategy①

Policy

Market Environment

- Healthcare real estate prices remain high
- Decrease in new development projects due to rising construction costs, etc.
- Increased M&A of operators accompanied by asset sale. Growing sales needs of individual owners.
- J-REIT unit prices have been generally weak, and external growth through public offerings may need careful consideration.

HCM Strategy

- Expansion of high-quality pipeline through diverse sponsor support and extensive networks
  - Enhanced warehousing capabilities
  - Secure first refusal rights and revenue opportunities through anonymous partnership investment in bridge funds.
- Property acquisitions with debt financing.
- Portfolio enhancement and realization of gains through strategic asset replacement.

Status of Pipeline

System to gather quality deals and information

- Facilities and housing for the elderly (in operation)
- Facilities and housing for the elderly (to be developed)
- Medical service-related facilities, etc.

Total Pipeline over 35 billion yen (Note)

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

Major Initiatives

- **16th Fiscal Period (ending January 2023)**
  - First asset replacement by HCM
  - Disposed “Medical Rehabilitation Home Bon Sejour Komaki” and acquired “Nichii Maison Inage” and “Hanakotoba Oppama
- **19th Fiscal Period (ending July 2024)**
  - Acquired “Noah Garden Bloom View” and 4 other properties with debt financing
  - Acquired equity interest in anonymous partnership of bridge fund backed by “Charm Suite Shukugawa” with cash on hand
- **20th Fiscal Period (ending January 2025)**
  - Acquired TSUKUI SUNSHINE YOKOHAMA TOTSUKA with debt financing
- **21st Fiscal Period (ending July 2025)**
  - Plans to acquire equity interest in anonymous partnership of a bridge fund backed by “Nerimayahara CarePark SOYOKAZE” and 5 other properties with cash on hand

2. External Growth Strategy②

Investment in Anonymous Partnership(21st Fiscal Period)

Summary

- HCM's second anonymous partnership investment in a bridge fund
- Investment amount: 100 million yen(3.5% equity interest).

Point

- Expected warehousing period for some of the properties in the pipeline has expired.
- Established a new bridge fund to secure first refusal rights with regard to those properties.

Outline of Anonymous Partnership

HC TURF GK	
Trust beneficiary interests in real estate: 7,257 million yen Current assets, etc.: 627 million yen	Senior loans: 5,000 million yen
	Investment in anonymous partnership: 2,884 million yen(3.5% equity interest acquired)

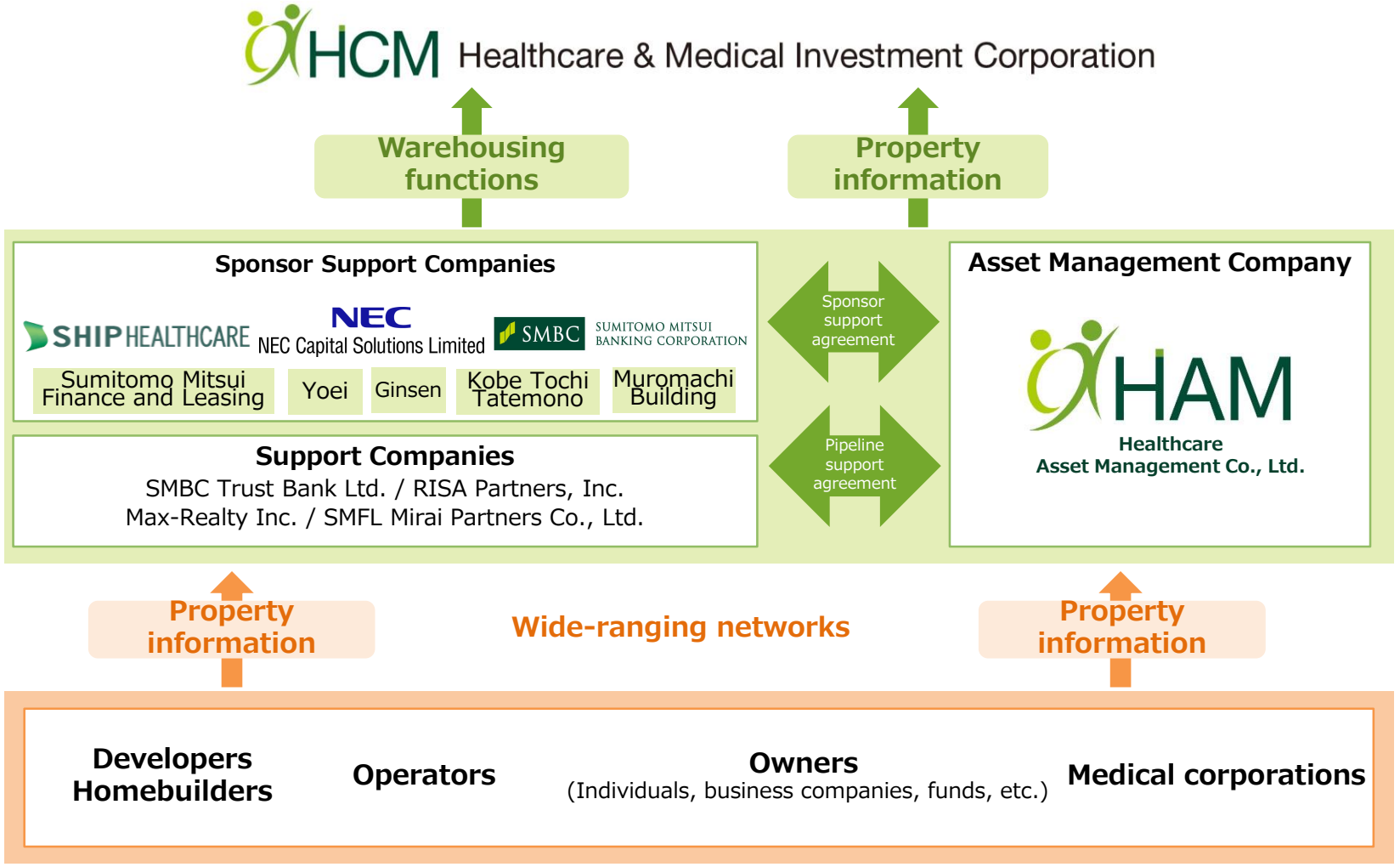
Underlying Assets

Property Name		Location	Construction completion	Operator
Sunny Life Shinkotoni		Sapporo-shi, Hokkaido	February 2023	Kawashima Corporation
Nerimayahara CarePark SOYOKAZE		Nerima-ku, Tokyo	February 2023	SOYOKAZE
Medical Rehabilitation Home Granda Toyotamotomachi		Toyota-shi, Aichi	September 2016	Benesse Style Care
SAWAYAKA Higashiosaka Kan		Higashiosaka -shi, Osaka	January 2018	Sawayaka Club
SAWAYAKA Himeji Kan		Himeji-shi, Hyogo	April 2018	Sawayaka Club
SAWAYAKA Seaside Kukinoumi		Kitakyushu-shi, Fukuoka	April 2017	Sawayaka Club

2. External Growth Strategy③

HCM aims to expand pipeline through "gathering system" that utilizes diversified support from sponsors as well as extensive network with operators, and developers, etc.

System to Gather Quality Deals and Information



3. Actions for Acquisition of Hospital Properties

Investment & Management Policy

1

Major investment target

- Real estate of stably managed hospitals
  (Hospitals which are expected to play definite roles in the Regional Healthcare Vision) ⇔ Different from business rehabilitation funds
- Medical malls and medical checkup centers, etc. may also be incorporated into portfolio

2

Investment & Management complying with the "Hospital Real Estate Guidelines"

- Professional staff familiar with hospital business in the Asset Management Company
- Conclusion of a long-term fixed-rent lease agreement, in principle

3

Investment ratio

- 80% or more of the portfolio, together with facilities and housing for the elderly
- No upper limit set for hospital real estate alone

4

Promotion for market expansion

- Lectures on utilization of Healthcare REIT at medical industry conferences (Congress of Japan Hospital Association, etc.)
- Presentation at seminars for medical/nursing care operators hosted by the Financial Services Agency and the Ministry of Land, Infrastructure, Transport and Tourism

Opportunity of REIT Investment (Utilization)

- **Size of hospital property market**
  - Market size is approximately 23 trillion yen (Note), and hospital real estate accounts for over 50% of the entire healthcare facility real estate market (approximately 51%)
  - Mostly self-owned by medical corporations, etc.
- **Major hospital needs**
  - Rebuilding, extension, securing of relocation site with the intention of strengthening medical functions
  - Financing for floor expansion and M&A to expand their business
  - Strengthen financial status, Cash flow management
  - Concentration of management resources on the main business, Outsourcing of real estate business
  - Improving the brand of operating facilities

(Note) Calculated by the Asset Management Company based on the estimate value by KPMG Healthcare Japan Co., Ltd. as of June 2016.

Case Example

Name	SHIP Senri Building (Senri-Chuo Hospital)
Location	Toyonaka-shi, Osaka
Operator	Kyowakai Medical Corporation
Number of beds	400
Acquisition price	12,920 million yen
Remarks	A complex facility combining a hospital and a nursing home

Name	Niigata Rehabilitation Hospital
Location	Niigata-shi, Niigata
Operator	Medical Corporation AIKOKAI
Number of beds	168
Acquisition price	2,060 million yen

ESG Initiatives

V

1. Materiality

Contribution to the aging society and enhancement of unitholder value over the medium to long term through ESG-conscious asset management.

	Issues that need to be solved	Specific Actions	Highly relevant SDGs
Environment	・Reduction of water resource consumption ・Energy conservation and reduction of CO_2 emissions ・Response to natural disasters caused by climate change (Resilience) ・Waste management and reduction	・Green lease (Kobe Gakuentoshi Building) ・Renovation work for improving the efficiency of air conditioning system using subsidies (GreenLife Moriguchi and Kobe Gakuentoshi Building) ・Use of Environmentally Friendly Materials (GreenLife Moriguchi) ・Landslide Prevention Measures (Hanakotoba Oppama)	
Social	・Elimination of the shortage of supply of housing for the elderly against the elderly population ・Prevention of job separation due to nursing care through the promotion of supply of nursing care facilities ・Improvement of business efficiency and reduction of work burden for nursing care staff ・Prevention of abuse of residents and harassment of facility staff ・Response to the deterioration of hospitals and promotion of earthquake resistance ・Work-life balance, health of staff, etc.	・Introduced EGAO link, a system for enhancing efficiency of nursing care services (ASHEIM Hikarigaoka and ASHEIM Bunkyohakusan) ・Operator employment support for people with disabilities (GreenLife Moriguchi, SHIP SENRI BUILDING) ・Tenant (Operator) Satisfaction Surveys ・Employee satisfaction survey at the Asset Management Company, continued implementation of Premium Friday, introduction of a corporate-type defined contribution plan and introduction of sick leave	
Governance	・Transparency in decision making ・Fair transaction (Appropriate management of conflicts of interest) ・Management of various risks (including elimination of antisocial forces)	・Separation of Executive Director of HCM and CEO of the Asset Management Company (resolved at the investors meeting in October 2020) ・Establishment of a system in which an external third party periodically verifies the operation status of the warehousing rules in order to appropriately manage transactions with interested parties. ・Continue to share examples of initiatives taken by each department and exchange opinions at the "Customer-Oriented Committee" of the Asset Management Company ・Monthly compliance workshops held at the asset management company	

2. Topics

Environment

- **External Evaluation/Environmental Certification**
  - GRESB
    Participated in the GRESB since fiscal 2022, and in fiscal 2024, obtained "1 Star" and "Green Star" ratings in the real estate assessment, and the highest "A Level" rating in the disclosure assessment.

GRESB 2024 ★☆☆☆☆ GRESB Public Disclosure 2024

  - TCFD Recommendations
    In March 2023, the company announced its support for the TCFD (Task Force on Climate-related Financial Information) and joined the TCFD Consortium, an organization of domestic companies that support the TCFD.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES　TCFD Consortium

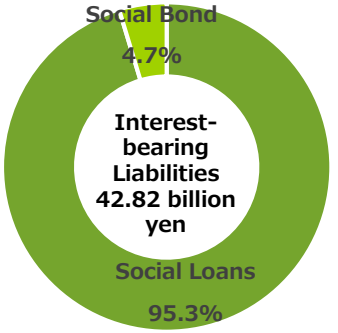
  - BELS (Building-housing Energy-efficiency Labeling System)
    2 properties have been rated by BELS
    (NOAH GARDEN L Grace, NOAH GARDEN Season Bell)
  - CASBEE (Comprehensive Assessment System for Built Environment Efficiency)
    HCM acquired CASBEE certified properties in 19th fiscal period.
    (PD House Higashi-Osaka)

Social

- **Social Finance**
  - 100% funded by social finance.
    (As of January 31, 2025)

JCR Social Finance Framework Evaluation
The highest evaluation
Social 1 (F)

A framework granted for the financing of impact investments that produce positive social outcomes, judged on the basis of sociality, as well as management, administration, and transparency.



Governance

- **Implementation of customer-oriented business operations (Customer Comes First)**
  - HAM has established the Customer-Oriented Committee, which holds regular monthly meetings.
- **Enhancement of the autonomous compliance system (Compliance Comes First)**
  - Conduct monthly compliance study sessions to foster and raise awareness of autonomous compliance among executives and employees.
- **External evaluation**
  - Received the "Good Action Award, Governance Category" at the ARES ESG Awards 2024 hosted by the Association for Real Estate Securitization in recognition of its enhanced ESG training system.

ARES ESG AWARD 2024

Environment Surrounding Healthcare Industry

VI

1. Revision of Medical Fee and Nursing Care Fee (FY 2024)

Major viewpoints of the revision are strong collaboration between medical and nursing care services, improved compensation for workers, and increased productivity (DX promotion).

Revision to medical fee Main points

1. Wage increase
2. Promotion of medical DX
3. Promotion of infectious disease control after COVID-19 pandemic
4. Measures related to simultaneous revision of medical/nursing care fee
5. Functional differentiation and strengthening of outpatient medical care
6. Evaluation of inpatient medical care according to medical function
7. High quality home-visit medical care and home nursing care
8. Measures related to priority issues
9. Measures in the regions with limited medical service

Revision to nursing care fee Main points

1. Promotion of regional comprehensive care system
2. Actions for independence support and prevention of severity
3. Working environment which enables quality and efficient nursing care service
4. Ensuring the stability and sustainability of long-term care insurance system
5. Others

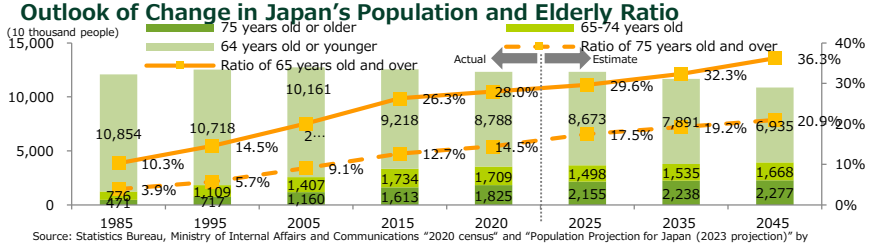
Recent Revisions of Medical Fee/Nursing Care Fee, and Insured Long-Term Care Service Plans

FY	Core	Medical Fee	Nursing Care Fee	Medical Care Plans	Insured Long-Term Care Service Plans
2012	+1.38%	+0.00%	+1.20%		5th period
2013				6th	
2014	+0.73%	+0.10%	+0.63%		
2015			-2.27%		6th period
2016	+0.49%	-0.84%			
2017			+1.14%		
2018	+0.55%	-1.19%	+0.54%	7th	7th period
2019					
2020	+0.55%	-0.46%			
2021			+0.70%		8th period
2022	+0.43%	-0.94%			
2023					
2024	**+0.88%**	-0.12%	**+1.59%**	8th	9th period
2025					
2026	Next Revision				
2027			Next Revision		10th period

2. Supply and Demand of Healthcare Facilities

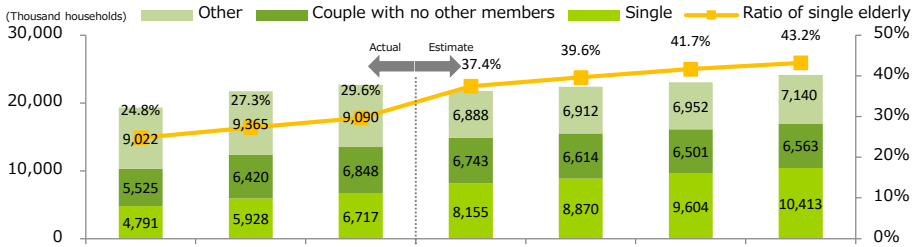
Rising Elderly Ratio and Increase in Elderly Single Households

Outlook of Change in Japan's Population and Elderly Ratio



Source: Statistics Bureau, Ministry of Internal Affairs and Communications "2020 census" and "Population Projection for Japan (2023 projection)" by the National Institute of Population and Social Security Research

Ratio of Elderly Single Households in Elderly Households

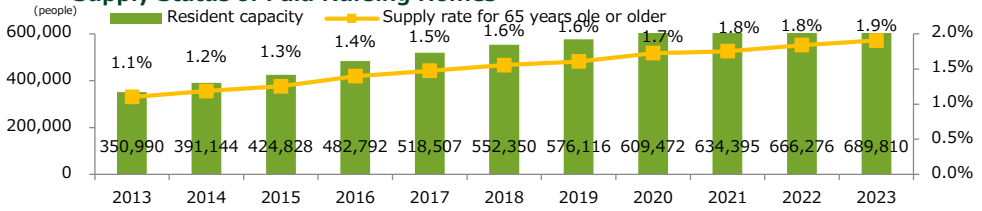


Source: Statistics Bureau, Ministry of Internal Affairs and Communications "2020 census" and "Household Projection for Japan (Nationwide Projection)" (2024 projection) by the National Institute of Population and Social Security Research

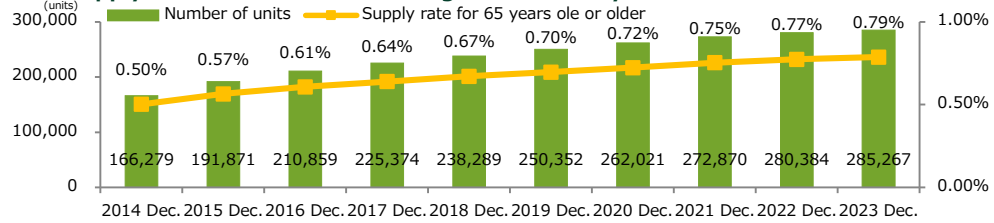
Promotion of Further Supply of Healthcare Facilities

Although supply of facilities and housing for the elderly is on the rise each year, the supply rate of paid nursing homes against the elderly population was a mere 1.9% in 2023, and promotion of further supply is needed.

Supply Status of Paid Nursing Homes



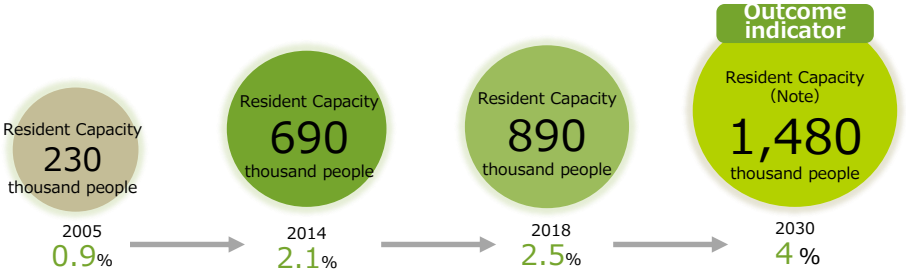
Supply Status of Serviced Housing for the Elderly



Upgrades and Expansion of Healthcare Facilities Backed by Government Policy

March 2021	Housing Life Basic Plan (nationwide plan)	A target to raise the ratio of housing for the elderly as a percentage of the elderly population to 4% by 2030 was set.

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

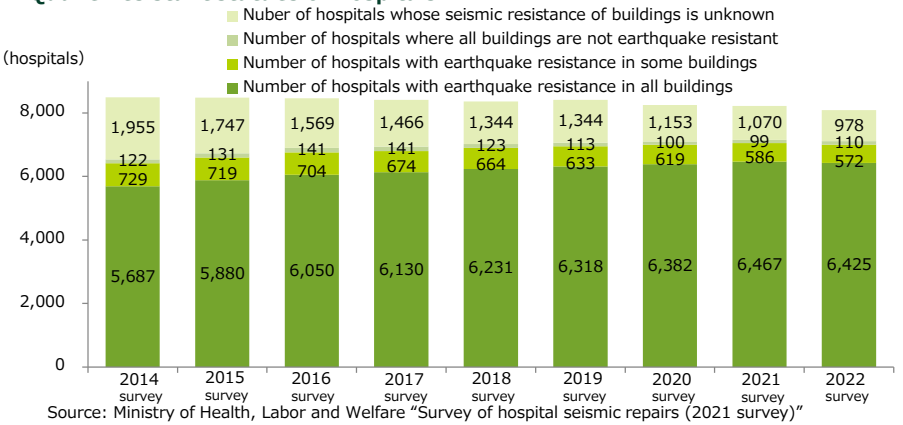


(Note) Resident capacity is estimated based on the outcome indicator for the ratio of housing for the elderly as a percentage of the elderly population.

Current Status of Reconstruction of Hospitals, etc.

- Hospitals that were constructed in the 1960's and 1970's and do not meet the earthquake resistance standards still exist.
  - Ratio of quake-resistant paid nursing homes is 95% or more while that of quake-resistant hospitals remains at 79.5%.

Quake-resistant statues of hospitals



Source: Ministry of Health, Labor and Welfare "Survey of hospital seismic repairs (2021 survey)"

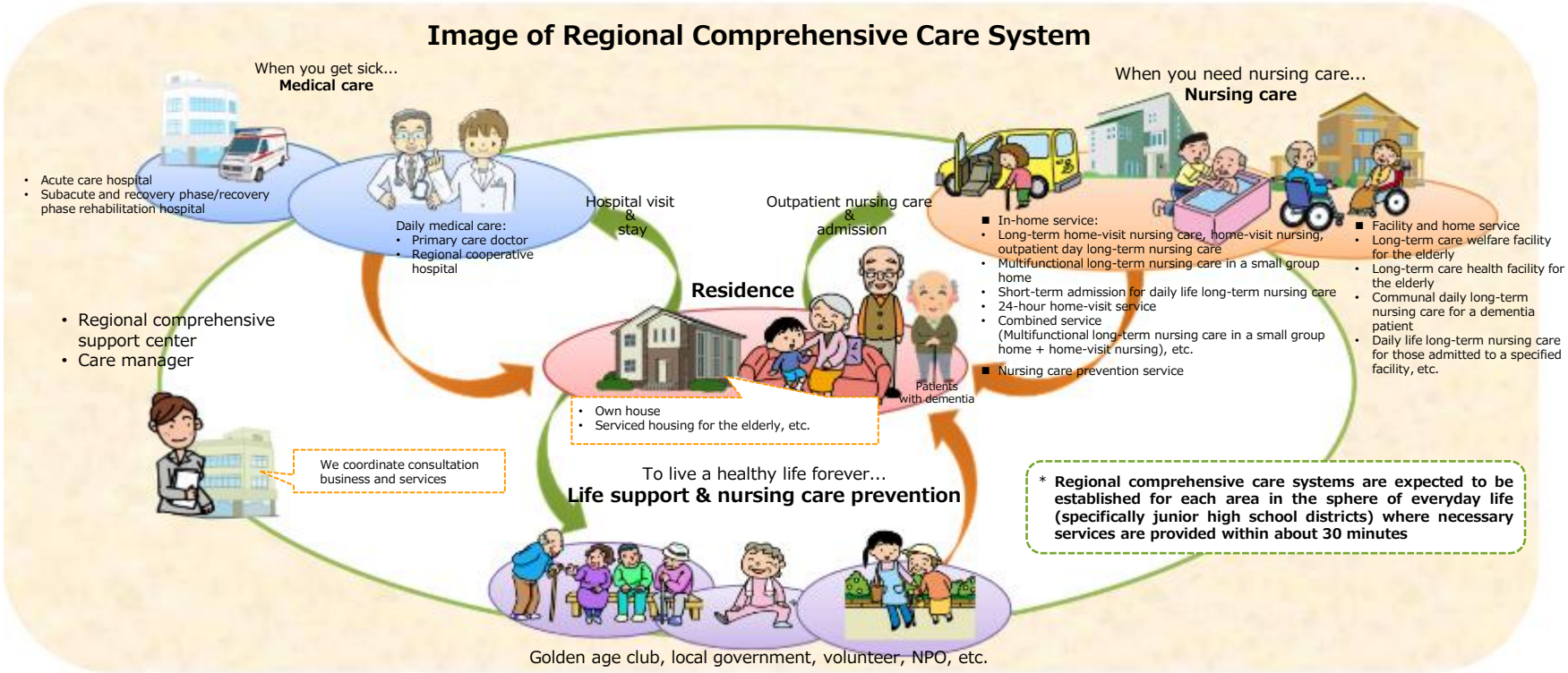
Regional Comprehensive Care System

○ We will establish a regional comprehensive care system that provides residences, medical care, nursing care, preventative medicine and life support in an integrated manner to offer an environment where the elderly can continue living in an area they are used to, even after they come to require nursing care, in around 2025 when the baby-boomer generation will be 75 or older.

○ Establishment of a regional comprehensive care system is necessary to support the lives in regions where elderly with dementia live as the number of elderly with dementia is expected to increase in the future.

○ There is a large regional difference concerning the progress of aging. There are, for example, large cities with the overall population remaining flat but the population of people aged 75 years old or older increasing rapidly and rural areas with the population of people aged 75 years old or older increasing slightly although the overall population decreasing.
It is necessary for municipalities and prefectural governments, which are the insurer, to create a regional comprehensive care system based on autonomy and independence and in accordance with regional characteristics.

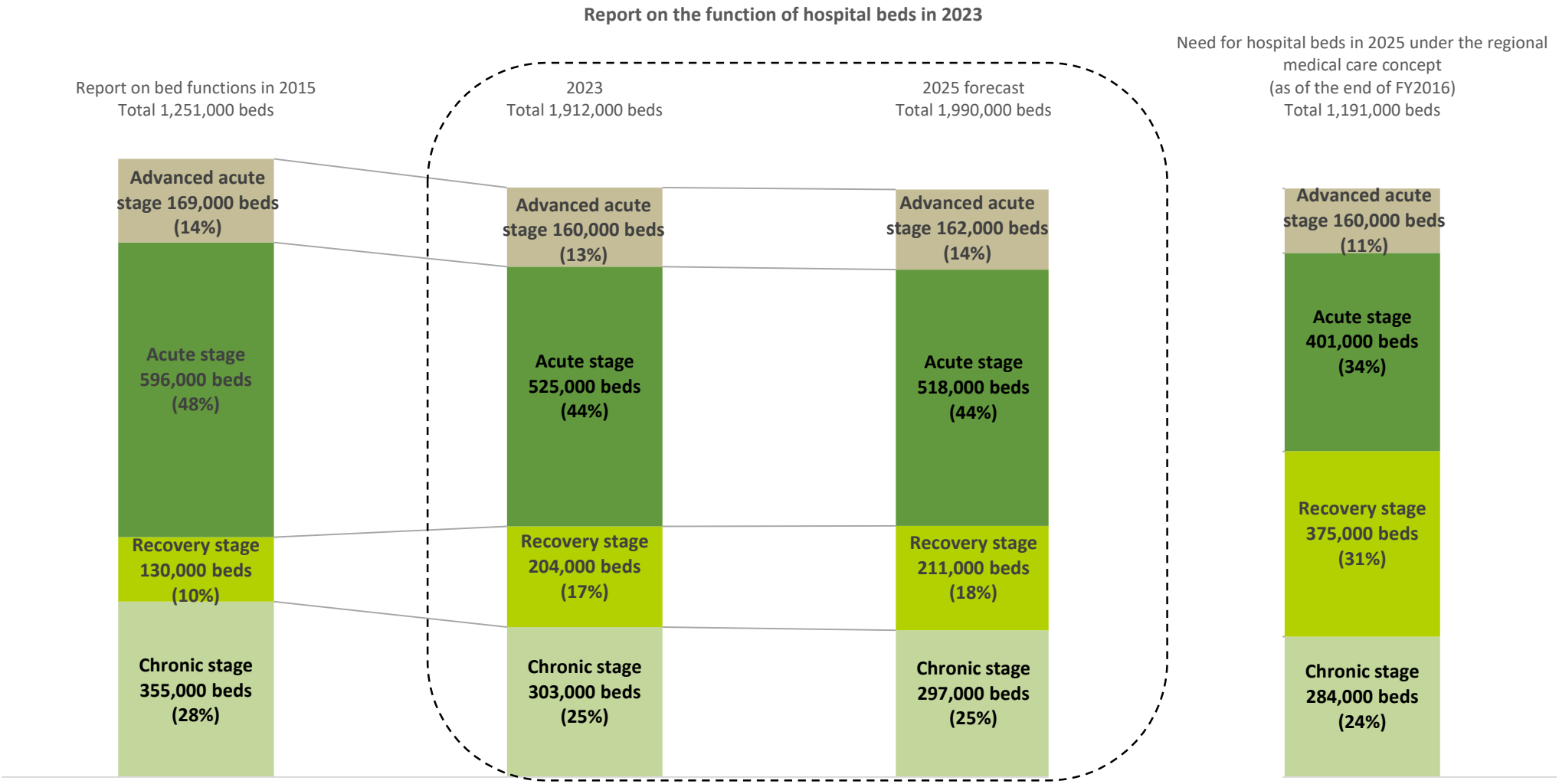
Image of Regional Comprehensive Care System



Source: Website of Ministry of Health, Labor and Welfare

4. Regional Healthcare Vision

The current regional medical care concept aims to ensure a high-quality and efficient medical care delivery system through functional differentiation and coordination of hospital beds toward the year 2025.The policy is to formulate a new regional medical care concept with a view to around 2040.



(Note) The above chart was prepared by the Asset Manager based on the "Regional Medical Care Plan" of the Ministry of Health, Labour and Welfare.

5. Types of facilities and Housing for the Elderly

Type	Characteristics	Main founder
Paid nursing homes with care service	These are paid nursing homes for the elderly that fall under the prefectural government's designation of "Daily Life Long-Term Care Admitted to a Specified Facility" for long-term insurance. Facility staff provide nursing care services when residents need nursing care, and the nursing care fee is a fixed amount (fixed) based on the level of nursing care required for respective residents. Facilities must be designated in order to open (restrictions apply).	For-profit Entities
Residential type paid nursing homes	Unlike paid nursing homes with care service, these are paid nursing homes for the elderly in which residents themselves enter separate contracts with external operators to receive nursing care services in the case they need nursing care. The nursing care fee is based on the amount of nursing care services the resident used (variable). Facilities need to notify the government in order to open.	For-profit Entities
Serviced housing for the elderly (Sakouju)	This is rental housing for the elderly that meets registration standards for size, facilities, etc. At a minimum, it must provide safety confirmation and living consultation services. Facilities must register in order to open.	For-profit entities
Long-term daily care for dementia patients in communal living situation (Group homes)	These are one type of community-based long-term care service business stipulated by the Long-Term Care Insurance Act. Their purpose is to delay the progress of dementia of users, who are people requiring nursing care and in the state of dementia, through communal living in small groups of up to nine people per unit with assistance and functional training.	For-profit Entities
Facilities covered by public aid providing long-term care to the elderly (intensive care homes for the elderly)	These are welfare facilities for the elderly for people requiring nursing care on a continual and steady basis but have difficulty receiving it at home. With stricter admission requirements since April 2015, these facilities in principle target elderly people requiring long-term care level 3 or higher.	Social welfare corporations
Geriatric health services facilities	These are facilities to provide medical treatment, nursing care under medical supervision, functional training and other necessary medical services as well as everyday care with the aim of returning people requiring nursing care to a self-independent state and living at their own homes.	Medical Corporations
Integrated facilities for medical and long-term care	Established in April 2018, these are facilities that provide everyday medical supervision, a certain level of nursing care and residential functions to elderly people who require long-term recuperation. End-of-life care and deathwatch are also available.	Medical Corporations

Appendix

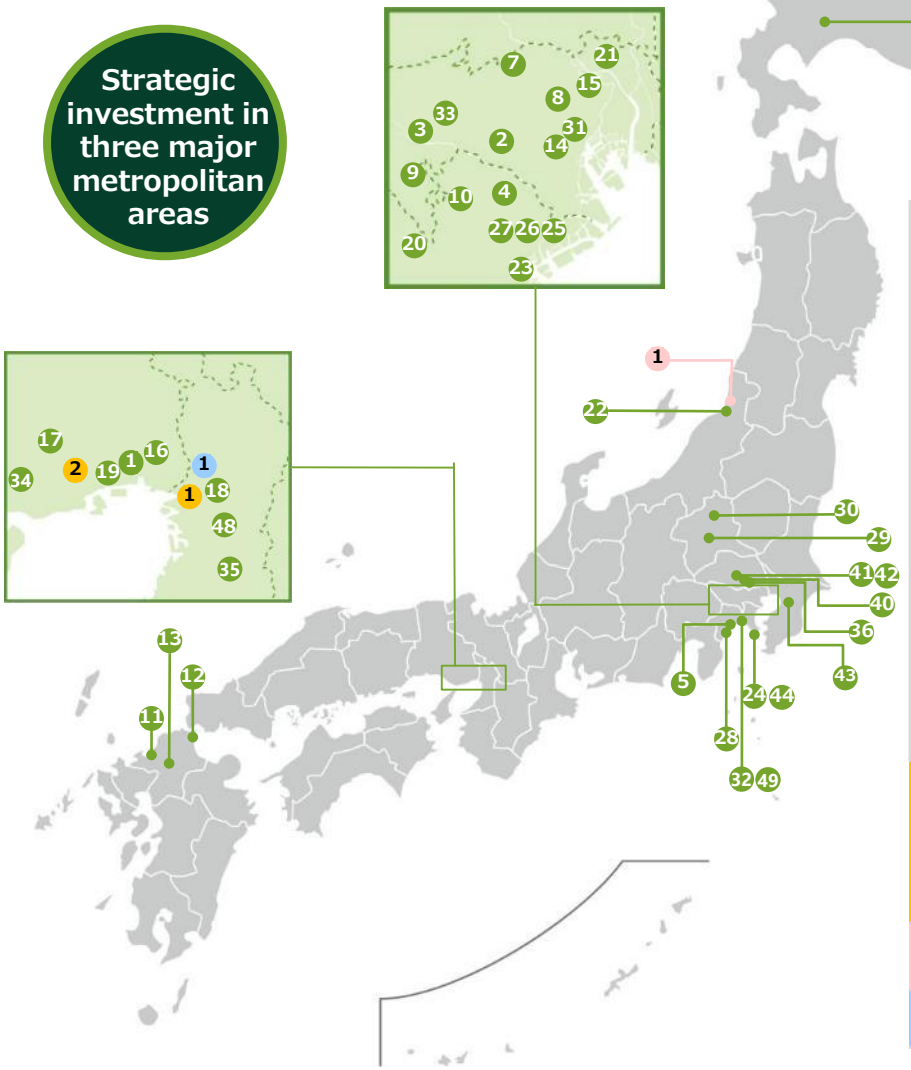
VII

Portfolio Map

Ratio of investment in three major metropolitan areas

81.6%

Strategic investment in three major metropolitan areas



Tokyo metropolitan area **44.8%**

Kinki area **36.8%**

Core cities **16.3%**

Other areas **2.1%**

Paid nursing home	35	SOMPO CARE Sompo no ie Sayama
	36	Royal Kawaguchi
	37	NOAH GARDEN LEGEND
	38	NOAH GARDEN L Grace
	39	NOAH GARDEN Season Bell
	40	Heartland Kawaguchi Meiseien
	41	Rehabilitation Home Granda Minamiurawa
	42	Madoka Minamiurawa
	43	Nichii Maison Inage
	44	Hanakotoba Oppama
	45	NOAH GARDEN Building A
	46	NOAH GARDEN Building B
	47	NOAH GARDEN Villa
	48	PD House Higashi-Osaka
	49	TSUKUI SUNSHINE YOKOHAMA TOTSUKA
Serviced housing for the elderly	1	SOMPO CARE Sompo no ie S Awajiekimae
	2	SOMPO CARE Sompo no ie S Kobekamisawa
	3	NOAH GARDEN CASA RICH
	4	NOAH GARDEN Bloom View
Medical service-related facilities, etc.	1	Niigata Rehabilitation Hospital
Paid nursing home・medical service-related facilities, etc.	1	SHIP Senri Building

Paid nursing home	1	AQUAMARINE Nishinomiyahama
	2	Bonsejour Chitose-funabashi
	3	Bonsejour Hino
	4	Bonsejour Musashi-shinjo
	5	Medical Rehabilitation Home Bonsejour Hadanoshibusawa
	7	ASHEIM Hikarigaoka
	8	ASHEIM Bunkyohakusan
	9	SOMPO CARE La vie Re Machidaonoji
	10	SOMPO CARE La vie Re Azamino
	11	SAWAYAKA Tachibanakan
	12	SAWAYAKA Mekarikan
	13	SAWAYAKA Tagawakan
	14	GOOD TIME HOME Fudo-mae
	15	Rehabilitation Home Bonsejour Yotsugi
	16	Medical Home Bonsejour Itami
	17	Kobe Gakuentoshi Building
	18	GreenLife Moriguchi
	19	Hapine Kobe Uozaki Nibankan
	20	Granda Tsuruma-Yamato
	21	Smiling Home Medice Adachi
	22	Aikoen Ichibankan Building
	23	Hanakotoba Minami
	24	Hanakotoba Miura
	25	SOMPO CARE La vie Re Hama-Kawasaki
	26	Hanakotoba Shin-Yokohama
	27	Hanakotoba Shin-Yokohama II
	28	Hanakotoba Odawara
	29	Verde Minowa
	30	Verde Hotaka
	31	Sunny Life Kita-Shinagawa
	32	Sunny Life Kamakura
	33	Nichii Home Nishikokubunji
	34	SOMPO CARE La vie Re Kobeikawadani

Details of Portfolio①

	Paid nursing home				
	①	②	③	④	⑤
	AQUAMARINE Nishinomiyahama	Bonsejour Chitose-funabashi	Bonsejour Hino	Bonsejour Musashi-shinjo	Medical Rehabilitation Home Bonsejour Hadanoshibusawa
					
Location	4-15-2 Nishinomiyahama, Nishinomiya-shi, Hyogo	1-37-3 Funabashi, Setagaya-ku, Tokyo	438-1 Ochikawa, Hino-shi, Tokyo	773-2 Chitose, Takatsu-ku, Kawasaki-shi, Kanagawa	1-6-60 Shibusawakami, Hadano-shi, Kanagawa
Nearest station	Hanshin Nishinomiya Station on the Hanshin Line	Chitose-Funabashi Station on the Odakyu Odawara Line	Mogusaen Station on the Keio Line	Musashi-Shinjo Station on the JR Nambu Line	Shibusawa Station on Odakyu Odawara Line
Construction completion	May 2007	March 1988	May 1990	February 1985	July 1991
Acquisition period	Fiscal period ended July 2015	Fiscal period ended July 2015	Fiscal period ended July 2015	Fiscal period ended July 2015	Fiscal period ended July 2015
Appraisal NOI (Note 1)	117 million yen	48 million yen	43 million yen	39 million yen	47 million yen
Appraisal NOI yield (Note 1)	6.0%	5.9%	6.0%	6.8%	6.5%
Appraisal value (Note 1)	2,140 million yen	997 million yen	834 million yen	643 million yen	851 million yen
Acquisition price (ratio)	1,950 million yen (2.4%)	824 million yen (1.0%)	724 million yen (0.9%)	582 million yen (0.7%)	728 million yen (0.9%)
Site area	2,587.93 m²	1,020.92 m²	2,211.28 m²	1,233.49 m²	2,588.04 m²
Leasable area	5,274.54 m²	2,342.17 m²	1,984.17 m²	1,710.43 m²	3,435.79 m²
Structure/ number of floors (Note 2)	RC, 5F	RC, B1 6F	RC, 3F	RC, 4F	RC, 5F
Number of rooms/resident capacity	90 rooms, 100 people	42 rooms, 47 people	56 rooms, 58 people	46 rooms, 49 people	100 rooms, 101 people
occupancy rate (Note 3)	100.0%	89.4%	100.0%	98.0%	87.1%
Operator	GREEN LIFE	Benesse Style Care	Benesse Style Care	Benesse Style Care	Benesse Style Care
Remaining years of lease agreement (Note 4)	12.3 years	1.3 years	1.3 years	1.8 years	2.3 years

Details of Portfolio②

	Paid nursing home				
	7	8	9	10	11
	ASHEIM Hikarigaoka	ASHEIM Bunkyohakusan	SOMPO CARE La vie Re Machidaonoji	SOMPO CARE La vie Re Azamino	SAWAYAKA Tachibanakan
					
Location	4-3-23 Yahara, Nerima-ku, Tokyo	4-36-13 Hakusan, Bunkyo-ku, Tokyo	1612 Onojimachi, Machida-shi, Tokyo		19-24 Ayumigaoka, Tsuzuki-ku, Yokohama-shi, Kanagawa	173-15 Oaza Ryugeji, Hakata-ku, Fukuoka-shi, Fukuoka
Nearest station	Shakujii-Koen Station on the Seibu Ikebukuro Line	Hakusan Station on the Toei Subway Mita Line	Keio Nagayama Station on the Keio Sagamihara Line	Odakyu Nagayama Station on the Odakyu Tama Line	Nakagawa Station on the Yokohama Municipal Subway Blue Line	Sasahara Station on the JR Kagoshima Line
Construction completion	March 2006	February 2007	October 2007		March 2004	October 2005
Acquisition period	Fiscal period ended July 2015	Fiscal period ended July 2015	Fiscal period ended July 2015		Fiscal period ended July 2015	Fiscal period ended July 2015
Appraisal NOI (Note 1)	76 million yen	74 million yen	193 million yen		154 million yen	92 million yen
Appraisal NOI yield (Note 1)	5.5%	5.2%	5.4%		5.0%	6.0%
Appraisal value (Note 1)	1,580 million yen	1,810 million yen	4,280 million yen		3,430 million yen	1,580 million yen
Acquisition price (ratio)	1,385 million yen (1.7%)	1,430 million yen (1.7%)	3,580 million yen (4.3%)		3,050 million yen (3.7%)	1,520 million yen (1.8%)
Site area	2,868.46 m²	540.29 m²	7,404.13 m²		2,748.64 m²	3,359.66 m²
Leasable area	3,628.60 m²	2,507.25 m²	7,720.17 m²		5,789.25 m²	5,652.94 m²
Structure/ number of floors (Note 2)	RC, 3F	RC, 8F	RC, B1 6F		RC, B1 5F	RC, B1 6F
Number of rooms/resident capacity	83 rooms, 89 people	50 rooms, 52 people	163 rooms, 169 people		145 rooms, 145 people	104 rooms, 104 people
occupancy rate (Note 3)	86.5%	96.2%	83.4%		96.6%	93.3%
Operator	AS PARTNERS	AS PARTNERS	Sompo Care Inc.		Sompo Care Inc.	Sawayaka Club
Remaining years of lease agreement (Note 4)	9.1 years	2.1 years	2.7 years		2.4 years	2.9 years

Details of Portfolio③

	Paid nursing home				
	12	13	14	15	16
	SAWAYAKA Mekarikan	SAWAYAKA Tagawakan	GOOD TIME HOME Fudo-mae	Rehabilitation Home Bonsejour Yotsugi	Medical Home Bonsejour Itami
					
Location	1-9-15 Okubo, Moji-ku, Kitakyushu-shi, Fukuoka	393-1 Oaza Ita, Tagawa-shi, Fukuoka	5-25-13 Nishigotanda, Shinagawa-ku, Tokyo	3-1-11 Higashiyotsugi, Katsushika-ku, Tokyo	1-2-25 Chuo, Itami-shi, Hyogo
Nearest station	Mojiko Station on the JR Kagoshima Line	Magarikane Station on the Heisei Chikuho Railway Tagawa Line	Fudo-mae Station on the Tokyu Meguro Line	Yotsugi Station on the Keisei Railway Oshiage Line	Hankyu Itami Station on the Hankyu Railway Itami Line
Construction completion	November 2005	January 2006	March 1992	March 1989	March 1989
Acquisition period	Fiscal period ended July 2015	Fiscal period ended July 2015	Fiscal period ended July 2015	Fiscal period ended July 2016	Fiscal period ended July 2016
Appraisal NOI (Note 1)	85 million yen	24 million yen	90 million yen	47 million yen	38 million yen
Appraisal NOI yield (Note 1)	6.2%	6.2%	5.2%	5.7%	7.5%
Appraisal value (Note 1)	1,470 million yen	354 million yen	1,990 million yen	905 million yen	557 million yen
Acquisition price (ratio)	1,380 million yen (1.7%)	390 million yen (0.5%)	1,740 million yen (2.1%)	824 million yen (1.0%)	514 million yen (0.6%)
Site area	3,758.26 m²	4,300.90 m²	1,206.60 m²	1,136.46 m²	1,976.11 m²
Leasable area	4,720.46 m²	2,366.20 m²	3,400.20 m²	1,962.89 m²	2,129.87 m²
Structure/ number of floors (Note 2)	RC, 4F	RC, 3F	RC, B1 5F	RC, 5F	SRC, 11F (private area)
Number of rooms/resident capacity	95 rooms, 95 people	60 rooms, 60 people	61 rooms, 67 people	61 rooms, 65 people	62 rooms, 64 people
occupancy rate (Note 3)	91.6%	96.7%	91.0%	96.9%	89.1%
Operator	Sawayaka Club	Sawayaka Club	JAPAN LIFEDESIGN	Benesse Style Care	Benesse Style Care
Remaining years of lease agreement (Note 4)	2.9 years	2.9 years	1.8 years	0.9 years	2.3 years

Details of Portfolio④

	Paid nursing home				
	17	18	19	20	21
	Kobe Gakuentoshi Building	GreenLife Moriguchi	Hapine Kobe Uozaki Nibankan	Granda Tsuruma-Yamato	Smiling Home Medice Adachi
					
Location	1-1-2 Gakuennishimachi, Nishi-ku, Kobe-shi, Hyogo	6-17-34 Satanakamachi, Moriguchi-shi, Osaka	8-10-7 Uozakiminamimachi, Higashinada-ku, Kobe-shi, Hyogo	2-3-41 Shimotsuruma, Yamato-shi, Kanagawa	3-35-10 Minamihanabatake, Adachi-ku, Tokyo
Nearest station	Gakuentoshi Station on the Kobe Municipal Subway Seishin-Yamate Line	Dainichi Station on the Osaka Municipal Subway Tanimachi Line and Osaka Monorail	Uozaki Station on the Hanshin Electric Railway	Tsuruma Station on the Odakyu Enoshima Line	Rokucho Station on the Tsukuba Express
Construction completion	January 2009	September 2006	March 2010	March 1998	November 2005
Acquisition period	Fiscal period ended July 2017	Fiscal period ended July 2017	Fiscal period ended July 2017	Fiscal period ended July 2017	Fiscal period ended July 2017
Appraisal NOI (Note 1)	226 million yen	220 million yen	48 million yen	52 million yen	118 million yen
Appraisal NOI yield (Note 1)	5.2%	5.3%	5.2%	5.2%	5.2%
Appraisal value (Note 1)	4,800 million yen	4,850 million yen	1,050 million yen	1,020 million yen	2,610 million yen
Acquisition price (ratio)	4,320 million yen (5.2%)	4,150 million yen (5.0%)	930 million yen (1.1%)	1,000 million yen (1.2%)	2,253 million yen (2.7%)
Site area	2,742.81 m²	5,872.83 m²	932.94 m²	2,877.11 m²	2,069.41 m²
Leasable area	12,636.48 m²	8,356.85 m²	1,772.89 m²	3,427.08 m²	3,870.98 m²
Structure/ number of floors (Note 2)	RC, B1 9F	S RC, 9F	S, B1 4F	RC S, 5F	RC, 4F
Number of rooms/resident capacity	131 rooms, 138 people	155 rooms, 189 people	47 rooms, 47 people	73 rooms, 90 people	82 rooms, 82 people
occupancy rate (Note 3)	100.0%	100.0%	95.7%	84.4%	87.8%
Operator	GREEN LIFE	GREEN LIFE	GREEN LIFE	Benesse Style Care	GREEN LIFE
Remaining years of lease agreement (Note 4)	16.1 years	14.7 years	16.1 years	1.1 years	12.0 years

Details of Portfolio⑤

	Paid nursing home				
	22	23	24	25	26
	Aikoen Ichibankan Building	Hanakotoba Minami	Hanakotoba Miura	SOMPO CARE La vie Re Hama-Kawasaki	Hanakotoba Shin-Yokohama
					
Location	1-3239-1 Tamachi, Chuo-ku, Niigata-shi, Niigata	2-4-38 Shinkawacho, Minami-ku, Yokohama-shi, Kanagawa	3-5 Suwacho, Miura-shi, Kanagawa	23-1 Tajimacho, Kawasaki-ku, Kawasaki-shi, Kanagawa	1-11-5 Shinyokohama, Kohoku-ku, Yokohama-shi, Kanagawa
Nearest station	Niigata Station on the JR Shinetsu Line	Yoshinocho Station on the Yokohama Municipal Subway Blue Line	Misakiguchi Station on the Keikyu Kurihama Line	Odasakae Station on the JR Nambu Line	Shin-Yokohama Station on the Yokohama Municipal Subway Blue Line and the JR Yokohama Line
Construction completion	February 2010	February 2010	June 2007	March 2007	March 2004
Acquisition period	Fiscal period ended July 2017	Fiscal period ended January 2019	Fiscal period ended January 2019	Fiscal period ended July 2019	Fiscal period ended July 2019
Appraisal NOI (Note 1)	42 million yen	55 million yen	34 million yen	88 million yen	110 million yen
Appraisal NOI yield (Note 1)	5.5%	5.1%	5.6%	5.1%	5.3%
Appraisal value (Note 1)	823 million yen	1,210 million yen	669 million yen	1,830 million yen	2,600 million yen
Acquisition price (ratio)	770 million yen (0.9%)	1,071 million yen (1.3%)	615 million yen (0.7%)	1,710 million yen (2.1%)	2,071 million yen (2.5%)
Site area	2,597.52 m²	428.76 m²	1,017.55 m²	2,832.33 m²	894.00 m²
Leasable area	4,311.20 m²	1,710.68 m²	1,959.64 m²	4,060.21 m²	5,230.23 m²
Structure/ number of floors (Note 2)	S, 5F	RC, 7F	RC, 4F	RC, 4F (private area)	RC, 9F
Number of rooms/resident capacity	90 rooms, 90 people	50 rooms, 50 people	53 rooms, 54 people	58 rooms, 58 people	136 rooms, 136 people
occupancy rate (Note 3)	85.6%	96.0%	94.4%	89.7%	91.2%
Operator	Medical Corporation AIKOKAI	Proud Life Inc.	Proud Life Inc.	Sompo Care Inc.	Proud Life Inc.
Remaining years of lease agreement (Note 4)	11.5 years	7.8 years	7.8 years	2.9 years	7.8 years

Details of Portfolio⑥

	Paid nursing home				
	27	28	29	30	31
	Hanakotoba Shin-Yokohama II	Hanakotoba Odawara	Verde Minowa	Verde Hotaka	Sunny Life Kita-Shinagawa
					
Location	1-11-11 Shinyokohama, Kohoku-ku, Yokohama-shi, Kanagawa	3-9-12 Sakawa, Odawara-shi, Kanagawa	839-4 Aza Machiyabo, Kamishiba, Misatomachi, Takasaki-shi, Gunma	1221 Aza Maebara, Oaza Namashina, Kawaba-mura, Tone-gun, Gunma	3-8-6 Kitashinagawa, Shinagawa-ku, Tokyo
Nearest station	Shin-Yokohama Station on the Yokohama Municipal Subway Blue Line and the JR Yokohama Line	Kamonomiya Station on the JR Tokaido Line	Takasaki Station on the JR Takasaki Line	Numata Station on the JR Joetsu Line	Shimbamba Station on the Keikyu Line
Construction completion	April 2007	September 2009	November 2003 (Building 1) February 1974 (Building 2)	September 1982 (Building 1) July 1989 (Building 2)	September 2018
Acquisition period	Fiscal period ended July 2019	Fiscal period ended July 2019	Fiscal period ended July 2019	Fiscal period ended July 2019	Fiscal period ended July 2019
Appraisal NOI (Note 1)	22 million yen	49 million yen	106 million yen	90 million yen	89 million yen
Appraisal NOI yield (Note 1)	6.0%	5.6%	6.5%	6.8%	4.9%
Appraisal value (Note 1)	437 million yen	952 million yen	1,770 million yen	1,600 million yen	2,090 million yen
Acquisition price (ratio)	375 million yen (0.5%)	880 million yen (1.1%)	1,620 million yen (2.0%)	1,328 million yen (1.6%)	1,825 million yen (2.2%)
Site area	375.00 m²	1,202.12 m²	8,014.02 m2	4,375.31 m²	1,105.12 m²
Leasable area	1,837.29 m²	2,203.42 m²	11,098.17 m²	6,352.86 m²	2,135.54 m²
Structure/ number of floors (Note 2)	RC, B1 7F	RC, 4F	S, 5F (Building 1) S RC, 8F (Building 2)	S SRC, 5F (Building 1) S, 2F (Building 2)	S, 3F
Number of rooms/resident capacity	29 rooms, 30 people	60 rooms, 65 people	174 rooms, 206 people	121 rooms, 174 people	66 rooms, 66 people
occupancy rate (Note 3)	100.0%	90.8%	96.1%	95.4%	89.4%
Operator	Proud Life Inc.	Proud Life Inc.	Verde Corporation	Verde Corporation	Kawashima Corporation
Remaining years of lease agreement (Note 4)	7.8 years	7.8 years	2.3 years	2.3 years	18.7 years

Details of Portfolio⑦

	Paid nursing home				
	32	33	34	35	36
	Sunny Life Kamakura	Nichii Home Nishikokubunji	SOMPO CARE La vie Re Kobeikawadani	SOMPO CARE Sompo no ie Sayama	Royal Kawaguchi
					
Location	214-4 Aza Kichime, Kamimachiya, Kamakura-shi, Kanagawa	2-11-22 Nishikoigakubo, Kokubunji-shi, Tokyo	1745-1 Aza Ozaki, Arise, Ikawadanicho, Nishi-ku, kobe-shi, Hyogo	548-1 Minaminoda, Higashi-ku Sakai-shi, Osaka	2-5-24 Aoki, Kawaguchi-shi, Saitama
Nearest station	Shonan-Machiya Station on the Shonan Monorail	Nishikokubunji Station on the JR Chuo Line	Ikawadani Station on the Kobe Municipal Subway Seishin-Yamate Line	Sayama Station on the Nankai Koya Line	Kawaguchi-Motogo Station on the Saitama Railway
Construction completion	September 2014	September 1990	April 2009(New construction) December 2015(Expansion)	August 2005	October 2008
Acquisition period	Fiscal period ended July 2020	Fiscal period ended July 2021	Fiscal period ended July 2022	Fiscal period ended July 2022	Fiscal period ended July 2022
Appraisal NOI (Note 1)	76 million yen	36 million yen	63 million yen	32 million yen	62 million yen
Appraisal NOI yield (Note 1)	5.3%	5.0%	4.9%	5.4%	4.9%
Appraisal value (Note 1)	1,650 million yen	793 million yen	1,300 million yen	647 million yen	1,360 million yen
Acquisition price (ratio)	1,418 million yen (1.7%)	720 million yen (0.9%)	1,288 million yen (1.6%)	600 million yen (0.7%)	1,260 million yen (1.5%)
Site area	2,055.67 m2	1,948.41 ㎡	3,606.00 ㎡	2,264.75 ㎡	2,294.91㎡
Leasable area	3,817.91 m2	1,559.99 ㎡	3,824.54 ㎡	1,997.87 ㎡	3,484.02㎡
Structure/ number of floors (Note 2)	S, 5F	S, 3F	RC･S, 4F	S, 3F	RC, 3F
Number of rooms/resident capacity	128 rooms, 128 people	46 rooms, 46 people	80 rooms, 80 people	50 rooms, 50 people	56 rooms, 56 people
occupancy rate (Note 3)	98.4%	100.0%	86.3%	84.0%	76.8%
Operator	Kawashima Corporation	Nichii Carepalace	Sompo Care Inc.	Sompo Care Inc.	SENIOR LIFE SUPPORT
Remaining years of lease agreement (Note 4)	14.7 years	3.1 years	11.1 years	0.6 years	24.6 years

Details of Portfolio⑧

	Paid nursing home				
	37	38	39	40	41
	NOAH GARDEN LEGEND	NOAH GARDEN L Grace	NOAH GARDEN Season Bell	Heartland Kawaguchi Meiseien	Rehabilitation Home Granda Minamiurawa
					
Location	10-4-3 2-Jo, Utsukushigaoka, Kiyota-ku, Sapporo-shi, Hokkaido	10-4-1 2-Jo, Utsukushigaoka, Kiyota-ku, Sapporo-shi, Hokkaido	5-3-1 1-Jo, Fukuzumi, Toyohira-ku, Sapporo-shi, Hokkaido	3-10-17 Kamiaoki, Kawaguchi-shi, Saitama	63-2 Aza Nishinotsuma, Oaza Koyaba, Kawaguchi-shi, Saitama
Nearest station	Kaminopporo Station on the JR Chitose Line	Kaminopporo Station on the JR Chitose Line	Fukuzumi Station on the Sapporo City Subway Toho Line	Hatogaya Station on the Saitama Railway	Minami-Urawa Station on the JR Keihin-Tohoku Line
Construction completion	October 2015	October 2017	December 2019	January 2006	July 2011
Acquisition period	Fiscal period ended July 2022	Fiscal period ended July 2022	Fiscal period ended July 2022	Fiscal period ended July 2022	Fiscal period ended July 2022
Appraisal NOI (Note 1)	48 million yen	35 million yen	78 million yen	100 million yen	49 million yen
Appraisal NOI yield (Note 1)	5.6%	5.6%	5.8%	5.0%	4.8%
Appraisal value (Note 1)	930 million yen	670 million yen	1,550 million yen	2,280 million yen	1,110 million yen
Acquisition price (ratio)	859 million yen (1.0%)	622 million yen (0.8%)	1,350 million yen (1.6%)	2,000 million yen (2.4%)	1,022 million yen (1.2%)
Site area	9,012.28㎡	9,012.28㎡	3,636.38㎡	1,996.66㎡	2,620.05㎡
Leasable area	2,736.89㎡	2,075.25㎡	4,602.26㎡	3,885.90㎡	2,373.25㎡
Structure/ number of floors (Note 2)	RC, 4F	RC, 4F	RC, 5F	RC, 6F	S, 3F
Number of rooms/resident capacity	70 rooms, 70 people	51 rooms, 51 people	136 rooms, 136 people	97 rooms, 100 people	58 rooms, 60 people
occupancy rate (Note 3)	77.1%	78.4%	67.6%	64.0%	96.7%
Operator	NOAH KONZER	NOAH KONZER	NOAH KONZER	MEISHO	Benesse Style Care
Remaining years of lease agreement (Note 4)	25.1 years	25.1 years	27.1 years	6.6 years	16.4 years

Details of Portfolio⑨

	Paid nursing home				
	42	43	44	45	46
	Madoka Minamiurawa	Nichii Maison Inage	Hanakotoba Oppama	NOAH GARDEN Building A	NOAH GARDEN Building B
					
Location	58 Aza Nishinotsuma, Oaza Koyaba, Kawaguchi-shi, Saitama	2153-2 Miyanogicho, Inage-ku, Chiba-shi, Chiba	1-1-11 Oppamacho, Yokosuka-shi, Kanagawa	4-5-20, 9-jonishi, Hachiken, Nishi-ku, Sapporo-shi, Hokkaido	4-5-15, 9-jonishi, Hachiken, Nishi-ku, Sapporo-shi, Hokkaido
Nearest station	Minami-Urawa Station on the JR Keihin-Tohoku Line	Inage Station on the JR Sobu Line	Keikyu-Taura station on the Keikyu Line	Hachiken Station on the JR Sassho Line	Hachiken Station on the JR Sassho Line
Construction completion	April 2005	February 2008	July 2011	November 1995	September 1999
Acquisition period	Fiscal period ended July 2022	Fiscal period ended January 2023	Fiscal period ended January 2023	Fiscal period ended July 2024	Fiscal period ended July 2024
Appraisal NOI (Note 1)	39 million yen	83 million yen	25 million yen	24 million yen	15 million yen
Appraisal NOI yield (Note 1)	4.8%	5.5%	5.1%	6.3%	5.6%
Appraisal value (Note 1)	882 million yen	1,670 million yen	513 million yen	401 million yen	292 million yen
Acquisition price (ratio)	822 million yen（1.0%）	1,508 million yen（1.8%）	500 million yen（0.6%）	384 million yen（0.5%）	280 million yen（0.3%）
Site area	2,620.05㎡	2,444.12㎡	1,499.82㎡	5,136.99㎡	5,136.99㎡
Leasable area	1,918.98㎡	4,700.07㎡	1,899.46㎡	1,578.76㎡	1,049.05㎡
Structure/ number of floors (Note 2)	S, 3F	RC, 4F	S, 5F	RC, 4F	RC, 3F
Number of rooms/resident capacity	54 rooms, 54 people	85 rooms, 95 people	59 rooms, 59 people	42 rooms, 42 people	37 rooms, 40 people
occupancy rate (Note 3)	100.0%	61.1%	98.3%	81.0%	85.0%
Operator	Benesse Style Care	Nichii Carepalace	Proud Life Inc.	NOAH KONZER	NOAH KONZER
Remaining years of lease agreement (Note 4)	0.2 years	8.1 years	27.7 years	25.9 years	25.9 years

Details of Portfolio⑩

	Paid nursing home			Serviced housing for the elderly	
	47	48	49	1	2
	NOAH GARDEN Villa	PD House Higashi-Osaka	TSUKUI SUNSHINE YOKOHAMA TOTSUKA	SOMPO CARE Sompo no ie S Awajiekimae	SOMPO CARE Sompo no ie S Kobekamisawa
					
Location	4-5-30, 9-jonishi, Hachiken, Nishi-ku, Sapporo-shi, Hokkaido	1-3-42, Nishizutsumihondorinishi, Higashiosaka-shi, Osaka	15-1, Aza Minamimachi, Higashimatano-cho, Totsuka-ku, Yokohama-shi, Kanagawa	3-20-26 Awaji, Higashiyodogawa-ku, Osaka-shi, Osaka	8-2-5 Kamisawadori, Hyogo-ku, Kobe-shi, Hyogo
Nearest station	Hachiken Station on the JR Sassho Line	Kawachi-Kosaka Station on the Kintetsu Nara Line	Fujisawa Station on JR Tokaido Line, Odakyu Enoshima Line, Enoshima Electric Railway Line	Awaji Station on the Hankyu Railway Kyoto and Senri Lines	Kamisawa Station on the Kobe Municipal Subway Seishin-Yamate Line
Construction completion	April 2011	June 2022	January 2010	June 2009	June 2009
Acquisition period	Fiscal period ended July 2024	Fiscal period ended July 2024	Fiscal period ended January 2025	Fiscal period ended July 2015	Fiscal period ended July 2015
Appraisal NOI (Note 1)	16 million yen	37 million yen	53 million yen	116 million yen	72 million yen
Appraisal NOI yield (Note 1)	5.3%	5.4%	4.6%	6.0%	6.0%
Appraisal value (Note 1)	313 million yen	743 million yen	1,190 million yen	2,390 million yen	1,450 million yen
Acquisition price (ratio)	300 million yen（0.4%）	693 million yen（0.8%）	1,150 million yen（1.4%）	1,930 million yen (2.3%)	1,200 million yen (1.4%)
Site area	5,136.99㎡	1,094.03㎡	1,633.84㎡	1,251.26 m²	743.22 m²
Leasable area	1,073.34㎡	1,792.59㎡	2768.33㎡	5,745.15 m²	4,058.35 m²
Structure/ number of floors (Note 2)	RC, 3F	RC, 3F	RC, 6F	RC, 12F	S, 9F
Number of rooms/resident capacity	28 rooms, 28 people	48 rooms, 48 people	66 rooms, 66 people	137rooms, 137 people	85 rooms, 85 people
occupancy rate (Note 3)	78.6%	100.0%	98.5%	87.6%	98.8%
Operator	NOAH KONZER	SUNWELS Co., Ltd.	TSUKUI CORPORATION	Sompo Care Inc.	Sompo Care Inc.
Remaining years of lease agreement (Note 4)	25.9 years	27.3 years	10.0年	9.5 years	9.5 years

Details of Portfolio⑪

	Serviced housing for the elderly		Medical service-related facilities, etc.	Paid nursing home・medical service-related facilities, etc.
	3	4	1	1
	NOAH GARDEN CASA RICH	NOAH GARDEN Bloom View	Niigata Rehabilitation Hospital	SHIP Senri Building
				
Location	10-4-5 2-Jo, Utsukushigaoka, Kiyota-ku, Sapporo-shi, Hokkaido	4-5-14, 9-jonishi, Hachiken, Nishi-ku, Sapporo-shi, Hokkaido	761 Kizaki, Kita-ku, Niigata-shi, Niigata	1-4-3 Shinsenri-higashimachi, Toyonaka-shi, Osaka
Nearest station	Kaminopporo Station on the JR Chitose Line	Hachiken Station on the JR Sassho Line	Hayadori Station on the JR Hakushin Line	Senri-Chuo Station on the Kita-Osaka Kyuko Namboku Line and the Osaka Monorail
Construction completion	March 2015(New construction) Octorber 2016(Expansion)	December 2013	April 1990 (Building 1) February 2001 (Building 2)	September 2008
Acquisition period	Fiscal period ended July 2022	Fiscal period ended July 2024	Fiscal period ended January 2018	Fiscal period ended July 2019
Appraisal NOI (Note 1)	91 million yen	38 million yen	152 million yen	669 million yen
Appraisal NOI yield (Note 1)	5.6%	5.1%	7.4%	5.1%
Appraisal value (Note 1)	1,750 million yen	769 million yen	2,280 million yen	14,600 million yen
Acquisition price (ratio)	1,619 million yen (2.0%)	736 million yen (0.9%)	2,060 million yen (2.5%)	12,920 million yen (15.6%)
Site area	9,012.28㎡	5,136.99 ㎡	15,056.85 ㎡	4,202.65 ㎡
Leasable area	4,986.98㎡	2,079.81 ㎡	13,476.55 ㎡	24,813.85 ㎡
Structure/ number of floors (Note 2)	RC, 4F (SECOND COURT : 5F)	RC, 4F	RC, 3F (Building 1) S, 5F (Building 2)	RC, B1 11F
Number of rooms/resident capacity	115 rooms, 115 people	54rooms, 54 people	168 beds	Hospital: 400 beds Paid nursing home: 181 rooms, 200 people
occupancy rate (Note 3)	70.4%	77.8%	-	Paid nursing home: 100 %
Operator	NOAH KONZER	NOAH KONZER	Medical Corporation AIKOKAI	Kyowakai Medical Corporation GREEN LIFE
Remaining years of lease agreement (Note 4)	25.1 years	25.9 years	22.1 years	13.7 years

(Note 1) Figures in Appraisal NOI, Appraisal NOI yield and Appraisal Value are as of January 31, 2025. Appraisal NOI is rounded down to the nearest million yen and Appraisal NOI yield to the first decimal place.
(Note 2) As for abbreviation used in Structure column, SRC refers to steel-reinforced concrete, RC refers to reinforced concrete and S refers to steel structure.
(Note 3) The bed occupancy rate indicates the ratio obtained by dividing the number of residents by the capacity, rounded off to the second decimal place. The number of residents used in the calculation is described in the latest Property Disclosure Statement of Important Matters, which the Asset Management Company obtained as of the date of preparing this document, for the facilities and housing for the elderly owned by HCM.
(Note 4) Remaining years of lease agreement is as of January 31, 2025, rounded down to the first decimal place.

Summary of Appraisal Report①

Property name	Appraisal company	End of January 2025 Appraisal value (million yen) (A)	Summary of Appraisal Report (Note 1)						End of July 2024 Appraisal value (million yen) (B)	Difference (million yen) (A)-(B)
			Direct capitalization method		DCF method			Appraisal NOI (million yen) (Note 3)		
			Indicated value (million yen)	Capitalization rate (%)	Indicated value (million yen)	Discount rate (%) (Note 2)	Terminal capitalization rate (%)			
AQUAMARINE Nishinomiyahama	Rich Appraisal Institute Co., Ltd.	2,140	2,150	5.1%	2,130	4.8%	5.3%	117	2,140	0
Bonsejour Chitose-funabashi	The Tanizawa Sogo Appraisal Co., Ltd.	997	1,020	4.3%	987	4.4%	4.5%	48	997	0
Bonsejour Hino	The Tanizawa Sogo Appraisal Co., Ltd.	834	849	4.7%	827	4.8%	4.9%	43	834	0
Bonsejour Musashi-shinjo	The Tanizawa Sogo Appraisal Co., Ltd.	643	653	5.1%	638	5.2%	5.3%	39	643	0
Medical Rehabilitation Home Bonsejour Hadanoshibusawa	The Tanizawa Sogo Appraisal Co., Ltd.	851	864	5.0%	845	5.1%	5.2%	47	850	+1
ASHEIM Hikarigaoka	Japan Real Estate Institute	1,580	1,590	4.5%	1,570	4.3%	4.6%	76	1,590	△10
ASHEIM Bunkyohakusan	Japan Real Estate Institute	1,810	1,820	4.1%	1,790	3.9%	4.2%	74	1,790	+20
SOMPO CARE La vie Re Machidaonoji	Japan Real Estate Institute	4,280	4,310	4.4%	4,250	4.2%	4.5%	193	4,230	+50
SOMPO CARE La vie Re Azamino	Japan Real Estate Institute	3,430	3,450	4.2%	3,400	4.0%	4.3%	154	3,560	△130
SAWAYAKA Tachibanakan	Japan Real Estate Institute	1,580	1,590	5.2%	1,560	5.0%	5.4%	92	1,630	△50
SAWAYAKA Mekarikan	Japan Real Estate Institute	1,470	1,480	5.4%	1,450	5.2%	5.6%	85	1,480	△10
SAWAYAKA Tagawakan	Japan Real Estate Institute	354	357	5.4%	351	5.2%	5.6%	24	405	△51
GOOD TIME HOME Fudo-mae	Japan Real Estate Institute	1,990	2,000	4.1%	1,970	3.9%	4.2%	90	2,100	△110
Rehabilitation Home Bonsejour Yotsugi	The Tanizawa Sogo Appraisal Co., Ltd.	905	922	4.6%	897	4.7%	4.8%	47	905	0
Medical Home Bonsejour Itami	The Tanizawa Sogo Appraisal Co., Ltd.	557	566	5.1%	553	5.2%	5.3%	38	557	0
Kobe Gakuentoshi Building	Daiwa Real Estate Appraisal Co., Ltd.	4,800	4,870	4.3%	4,770	4.1%	4.5%	226	4,800	0
GreenLife Moriguchi	Daiwa Real Estate Appraisal Co., Ltd.	4,850	4,930	4.2%	4,820	4.0%	4.4%	220	4,850	0
Hapine Kobe Uozaki Nibankan	Daiwa Real Estate Appraisal Co., Ltd.	1,050	1,060	4.3%	1,040	4.1%	4.5%	48	1,050	0
Granda Tsuruma-Yamato	The Tanizawa Sogo Appraisal Co., Ltd.	1,020	1,030	4.7%	1,010	4.8%	4.9%	52	1,020	0
Smiling Home Medice Adachi	The Tanizawa Sogo Appraisal Co., Ltd.	2,610	2,650	4.2%	2,590	4.3%	4.4%	118	2,550	+60
AIKOEN ICHIBANKAN Building	The Tanizawa Sogo Appraisal Co., Ltd.	823	824	5.0%	822	5.1%	5.2%	42	822	+1
Hanakotoba Minami	Japan Real Estate Institute	1,210	1,220	4.3%	1,200	4.1%	4.4%	55	1,210	0
Hanakotoba Miura	The Tanizawa Sogo Appraisal Co., Ltd.	669	678	4.6%	665	4.7%	4.8%	34	668	+1
SOMPO CARE La vie Re Hama-Kawasaki	JLL Morii Valuation & Advisory K.K.	1,830	1,860	4.4%	1,790	4.2%	4.6%	88	1,830	0
Hanakotoba Shin-Yokohama	Japan Real Estate Institute	2,600	2,620	4.0%	2,580	3.8%	4.1%	110	2,600	0
Hanakotoba Shin-Yokohama II	Japan Real Estate Institute	437	440	5.0%	433	4.8%	5.2%	22	437	0
Hanakotoba Odawara	The Tanizawa Sogo Appraisal Co., Ltd.	952	967	4.8%	946	4.9%	5.0%	49	954	△2
Verde Minowa	Daiwa Real Estate Appraisal Co., Ltd.	1,770	1,780	4.8%	1,760	4.6%	5.0%	106	1,770	0

Summary of Appraisal Report②

Property name	Appraisal company	End of January 2025 Appraisal value (million yen) (A)	Summary of Appraisal Report (Note 1)						End of July 2024 Appraisal value (million yen) (B)	Difference (million yen) (A)-(B)
			Direct capitalization method		DCF method			Appraisal NOI (million yen) (Note 3)		
			Indicated value (million yen)	Capitalization rate (%)	Indicated value (million yen)	Discount rate (%) (Note 2)	Terminal capitalization rate (%)			
Verde Hotaka	Daiwa Real Estate Appraisal Co., Ltd.	1,600	1,610	5.2%	1,590	5.0%	5.4%	90	1,600	0
Sunny Life Kita-Shinagawa	Daiwa Real Estate Appraisal Co., Ltd.	2,090	2,120	4.1%	2,070	3.9%	4.3%	89	2,090	0
Sunny Life Kamakura	The Tanizawa Sogo Appraisal Co., Ltd.	1,650	1,680	4.3%	1,640	4.4%	4.5%	76	1,650	0
Nichii Home Nishikokubunji	Daiwa Real Estate Appraisal Co., Ltd.	793	808	4.1%	787	3.9%	4.3%	36	793	0
SOMPO CARE La vie Re Kobeikawadani	Rich Appraisal Institute Co., Ltd.	1,300	1,320	4.3%	1,290	4.1%	4.5%	63	1,300	0
SOMPO CARE Sompo no ie Sayama	Rich Appraisal Institute Co., Ltd.	647	657	4.7%	643	4.5%	4.9%	32	647	0
Royal Kawaguchi	Daiwa Real Estate Appraisal Co., Ltd.	1,360	1,380	4.1%	1,350	3.9%	4.3%	62	1,360	0
NOAH GARDEN LEGEND	The Tanizawa Sogo Appraisal Co., Ltd.	930	940	5.0%	920	5.1%	5.2%	48	930	0
NOAH GARDEN L Grace	The Tanizawa Sogo Appraisal Co., Ltd.	670	680	5.0%	670	5.1%	5.2%	35	670	0
NOAH GARDEN Season Bell	The Tanizawa Sogo Appraisal Co., Ltd.	1,550	1,560	4.9%	1,540	5.0%	5.1%	78	1,550	0
Heartland Kawaguchi Meiseien	Japan Real Estate Institute	2,280	2,300	4.1%	2,260	3.9%	4.2%	100	2,280	0
Rehabilitation Home Granda Minamiurawa	Rich Appraisal Institute Co., Ltd.	1,110	1,120	4.1%	1,100	3.9%	4.2%	49	1,110	0
Madoka Minamiurawa	Rich Appraisal Institute Co., Ltd.	882	892	4.1%	878	3.9%	4.2%	39	882	0
Nichii Maison Inage	Rich Appraisal Institute Co., Ltd.	1,670	1,700	4.6%	1,660	4.4%	4.8%	83	1,670	0
Hanakotoba Oppama	The Tanizawa Sogo Appraisal Co., Ltd.	513	516	4.4%	512	4.5%	4.6%	25	513	0
NOAH GARDEN Building A	Daiwa Real Estate Appraisal Co., Ltd.	401	405	4.8%	399	4.6%	5.0%	24	401	0
NOAH GARDEN Building B	Daiwa Real Estate Appraisal Co., Ltd.	292	295	4.8%	291	4.6%	5.0%	15	292	0
NOAH GARDEN Villa	Daiwa Real Estate Appraisal Co., Ltd.	313	317	4.8%	312	4.6%	5.0%	16	314	△1
PD House Higashi-Osaka	Rich Appraisal Institute Co., Ltd.	743	757	4.8%	737	4.6%	5.0%	37	738	+5
TSUKUI SUNSHINE YOKOHAMA TOTSUKA	Daiwa Real Estate Appraisal Co., Ltd.	1,190	1,210	4.0%	1,180	3.8%	4.2%	53	-	+1,190
SOMPO CARE Sompo no ie S Awajiekimae	Japan Real Estate Institute	2,390	2,420	4.7%	2,360	4.5%	4.9%	116	2,390	0
SOMPO CARE Sompo no ie S Kobekamisawa	Japan Real Estate Institute	1,450	1,460	4.8%	1,430	4.6%	5.0%	72	1,440	+10
NOAH GARDEN CASA RICH	The Tanizawa Sogo Appraisal Co., Ltd.	1,750	1,780	5.0%	1,740	5.1%	5.2%	91	1,750	0
NOAH GARDEN Bloom View	Daiwa Real Estate Appraisal Co., Ltd.	769	778	4.8%	765	4.6%	5.0%	38	769	0
Niigata Rehabilitation Hospital	Japan Real Estate Institute	2,280	2,290	6.5%	2,270	6.3%	6.7%	152	2,280	0
SHIP SENRI BUILDING	The Tanizawa Sogo Appraisal Co., Ltd.	14,600	14,900	4.3%	14,500	4.4%	4.5%	669	14,600	0
Total		93,265	94,445	—	92,538	—	—	4,552	92,291	+974
Difference (Excluding assets acquired in the 20th fiscal period)										△216

(Note 1) "Appraisal value" is based on the appraisal report with January 31, 2025, as the appraisal date.
(Note 2) "Discount rate" represents a yield used to discount net cash flow during an analysis period and terminal value at the end of an analysis period back to present value. The indicated figures are those used by the respective appraisal organizations.
(Note 3) "Appraisal NOI" indicates net operating income obtained by direct capitalization method stated in real estate appraisal report with January 31, 2025 as the appraisal date, rounded down to the nearest million yen. In addition, NOI is revenue before deducting depreciation and differs from NCF (net cash flow), which is the amount calculated by adding the gain on investment from security deposits, etc. to NOI and deducting capital expenditures. The same shall apply hereinafter in this document.

Status of Income/Expenditure of Properties①

(Unit: thousand yen)

Property name	Real estate lease business revenue		Real estate lease business expenses							20th FP NOI (Note 2)	19th FP NOI (Note 2)
	Rent revenue	Other revenue		Property tax	Outsourcing	Repair expenses	Insurance expenses	Depreciation and amortization	Other		
AQUAMARINE Nishinomiyahama	Not disclosed (Note 1)		24,981	4,208	2,100	554	278	17,389	450	59,707	59,975
Bonsejour Chitose-funabashi			5,717	1,850	225	-	141	3,048	451	21,311	21,409
Bonsejour Hino			5,167	1,264	214	-	108	3,130	450	19,398	19,478
Bonsejour Musashi-shinjo			4,211	1,050	167	-	95	2,447	450	16,078	16,141
Medical Rehabilitation Home Bonsejour Hadanoshibusawa			8,486	1,813	213	-	191	5,817	450	21,025	21,118
ASHEIM Hikarigaoka			16,561	3,851	381	345	248	11,284	450	40,472	40,660
ASHEIM Bunkyohakusan			12,504	2,596	381	-	155	8,921	450	38,909	38,979
SOMPO CARE La vie Re Machidaonoji			57,937	6,001	780	8,506	460	41,739	450	88,802	94,551
SOMPO CARE La vie Re Azamino			32,173	4,731	780	1,691	337	23,902	729	76,929	77,807
SAWAYAKA Tachibanakan			24,008	2,671	1,200	-	419	19,266	450	47,115	47,212
SAWAYAKA Mekarikan			23,144	2,976	1,200	-	222	18,296	450	43,386	43,382
SAWAYAKA Tagawakan			8,544	1,106	1,200	-	226	5,087	924	12,227	12,856
GOOD TIME HOME Fudo-mae			15,959	3,079	600	382	214	10,507	1,176	45,547	44,579
Rehabilitation Home Bonsejour Yotsugi			4,978	923	223	-	94	3,286	450	20,688	20,766
Medical Home Bonsejour Itami			6,634	1,418	371	-	134	4,260	450	13,881	13,988
Kobe Gakuentoshi Building			53,801	9,613	900	261	738	41,837	450	114,435	114,456
GreenLife Moriguchi			41,722	7,170	1,363	4,263	493	27,982	450	106,259	104,524
Hapine Kobe Uozaki Nibankan			10,185	1,390	1,200	412	117	6,615	450	23,929	24,409
Granda Tsuruma-Yamato			7,671	1,950	618	197	195	4,260	450	26,745	27,124
Smiling Home Medice Adachi			18,126	3,337	540	1,963	249	11,587	450	58,668	60,260
AIKOEN ICHIBANKAN Building			9,546	2,548	840	801	165	4,741	450	20,789	21,671
Hanakotoba Minami			9,166	1,588	600	-	112	6,415	450	27,849	27,180
Hanakotoba Miura			10,619	1,555	600	1,049	123	6,841	450	16,621	15,389
SOMPO CARE La vie Re Hama-Kawasaki			19,734	3,515	2,770	574	253	12,169	450	44,786	45,282
Hanakotoba Shin-Yokohama			15,629	4,466	900	910	328	8,574	450	54,857	55,896
Hanakotoba Shin-Yokohama II			6,341	2,549	600	240	119	2,382	450	10,853	10,500
Hanakotoba Odawara			11,165	1,402	600	1,170	131	7,410	450	23,845	23,840
Verde Minowa			28,990	5,153	1,020	-	625	21,741	450	56,658	59,975

Status of Income/Expenditure of Properties②

(Unit: thousand yen)

Property name	Real estate lease business revenue			Real estate lease business expenses							20th FP NOI (Note 2)	19th FP NOI (Note 2)
		Rent revenue	Other revenue		Property tax	Outsourcing	Repair expenses	Insurance expenses	Depreciation and amortization	Other		
Verde Hotaka	Not disclosed (Note 1)			28,344	2,192	1,020	-	311	24,370	450	46,132	46,230
Sunny Life Kita-Shinagawa				10,814	2,815	600	570	157	6,270	400	44,956	45,564
Sunny Life Kamakura				14,170	2,733	720	1,417	214	8,684	400	37,436	38,375
Nichii Home Nishikokubunji				6,032	1,230	660	1,043	101	2,597	400	17,557	17,931
SOMPO CARE La vie Re Kobeikawadani				15,623	2,956	750	2,049	224	9,192	450	30,769	31,593
SOMPO CARE Sompo no ie Sayama				5,577	1,442	750	169	115	2,700	400	16,022	15,748
Royal Kawaguchi				13,728	2,872	1,647	1,550	213	7,041	403	30,512	31,410
NOAH GARDEN LEGEND				10,225	1,988	300	-	154	7,615	167	24,390	24,414
NOAH GARDEN L Grace				7,791	1,748	300	-	118	5,458	166	17,688	17,704
NOAH GARDEN Season Bell				14,747	2,328	720	-	251	11,047	401	40,921	40,955
Heartland Kawaguchi Meiseien				16,463	2,865	720	-	266	12,211	400	51,127	50,416
Rehabilitation Home Granda Minamiurawa				8,409	1,793	480	-	147	5,763	225	25,421	23,735
Madoka Minamiurawa				6,817	1,103	480	1,708	118	3,182	225	18,715	18,778
Nichii Maison Inage				14,470	3,128	900	555	256	9,179	450	40,904	38,750
Hanakotoba Oppama				7,988	2,056	600	980	114	3,836	400	11,954	11,953
NOAH GARDEN Building A				4,213	31	225	-	105	3,750	101	13,739	13,784
NOAH GARDEN Building B				2,889	22	225	-	70	2,471	100	8,876	8,907
NOAH GARDEN Villa				2,455	22	225	-	93	2,014	100	8,931	8,933
PD House Higashi-Osaka				6,554	-	1,038	-	104	5,011	400	20,056	20,361
TSUKUI SUNSHINE YOKOHAMA TOTSUKA				1,342	-	138	-	24	1,085	94	6,776	-
SOMPO CARE Sompo no ie S Awajiekimae				27,841	4,892	510	328	346	21,314	450	57,935	57,287
SOMPO CARE Sompo no ie S Kobekamisawa				18,044	2,916	510	968	212	12,987	450	35,237	34,843
NOAH GARDEN CASA RICH				18,618	3,827	300	-	279	14,044	166	46,204	46,246
NOAH GARDEN Bloom View				5,274	40	225	-	108	4,800	100	20,957	21,045
Niigata Rehabilitation Hospital				28,593	9,378	1,030	-	523	17,111	550	78,398	78,538
SHIP Senri Building				86,529	28,575	1,500	-	1,475	54,528	450	339,800	340,144
Total	2,521,264	2,510,614	10,650	877,278	168,750	39,166	34,660	13,091	599,223	22,387	2,243,209	2,243,915

(Note 1) "Real estate lease business revenue," "rent revenue" and "other revenue" of each property are not disclosed as consent for disclosure has not been obtained from tenants. The total is the sum of amounts received as rent for the fiscal period under review based on the lease agreements.

(Note 2) "NOI" = Real estate lease business revenue – Real estate lease business expenses + depreciation and amortization

Operator List①

Operator name		Number of facilities (Note 1)		Attribute	Remarks	Facilities owned by HCM	Share (%) (Note 2)
		Facilities and housing for the elderly	Hospital				
GREEN LIFE Co., Ltd.	GREEN LIFE	72	–	A consolidated subsidiary of SHIP HEALTHCARE HOLDINGS, INC., which is listed on the TSE Prime Market	A nursing care business that plays a central role in the Lifecare Business of SHIP HEALTHCARE HOLDINGS, INC. Operates nursing care facilities nationwide.	AQUAMARINE Nishinomiyahama Kobe Gakuentoshi Building GreenLife Moriguchi Hapine Kobe Uozaki Nibankan Smiling Home Medice Adachi SHIP Senri Building	22.8
Sompo Care Inc.	SOMPOケア	471	–	A consolidated subsidiary of Sompo Holdings, Inc., which is listed on the TSE Prime Market	Mainly operates paid nursing homes with care service under the Sompo Care La vie Re brand and mid-to low-end homes under the SOMPO CARE Sompo no ie brand and the SOMPO CARE Sompo no ie S brand etc, centering on three major metropolitan areas.	SOMPO CARE La vie Re Machidaonoji SOMPO CARE La vie Re Azamino SOMPO CARE Sompo no ie S Awajiekimae SOMPO CARE Sompo no ie S Kobekamisawa SOMPO CARE La vie Re Hama-Kawasaki SOMPO CARE La vie Re Kobeikawadani SOMPO CARE Sompo no ie Sayama	16.1
Kyowakai Medical Corporation	医療法人 協和会 Kyowakai Medical Corporation	4 (Note 3)	6	-	A major medical corporation operating a wide range of businesses including 6 hospitals (2,108 beds), 4 long-term care health facilities (495 people), and home care support. Provides safe and convenient medical/nursing care services ranging from acute-stage medical care to rehabilitation, home medical care, and nursing care.	SHIP Senri Building	9.2
Benesse Style Care Co., Ltd.	ベネッセスタイルケア	354	–	Unlisted company	Operates seven brands in Tokyo, Osaka, Nagoya, and elsewhere in Japan. The brands are mainly mid-to high-end, such as Bonsejour and GRANNY AND GRANDA.	Bonsejour Chitose-funabashi Bonsejour Hino Bonsejour Musashi-shinjo Medical Rehabilitation Home Bonsejour Hadanoshibusawa Rehabilitation Home Bonsejour Yotsugi Medical Home Bonsejour Itami Granda Tsuruma-Yamato Rehabilitation Home Granda Minamiurawa Madoka Minamiurawa	8.5
NOAH KONZER Co.,Ltd	NOAH KONZER CO`LTD 株式会社 ノアコンツェル	26	–	A consolidated subsidiary of CUC Inc., which is listed on the TSE Growth Market.	The company operates facilities and for the elderly in Sapporo City, and the number of facilities serviced housing for the elderly and the number of units they operate rank first in Hokkaido. The company is a comprehensive welfare service provider also engaging in the development of medication support systems and rental of assistive products with its affiliated companies providing meal services, designing and constructing medical/nursing care facilities, etc.	NOAH GARDEN LEGEND NOAH GARDEN L Grace NOAH GARDEN Season Bell NOAH GARDEN CASA RICH NOAH GARDEN Building A NOAH GARDEN Building B NOAH GARDEN Villa NOAH GARDEN Bloom View	7.4

Operator List②

Operator name		Number of facilities (Note 1)		Attribute	Remarks	Facilities owned by HCM	Share (%) (Note 2)
		Facilities and housing for the elderly	Hospital				
Proud Life Inc.	プラウドライフ	33	–	A consolidated subsidiary of Sony Group Corporation, which is listed on the TSE Prime Market	As a wholly owned subsidiary of Sony Lifecare Corporation, which oversees the nursing care business of the Sony Financial Group, develops, plans and operates paid nursing homes and other facilities. Operates paid nursing homes and other facilities under the “Hanakotoba” brand, primarily in Kanagawa Prefecture.	Hanakotoba Minami Hanakotoba Miura Hanakotoba Odawara Hanakotoba Shin-Yokohama Hanakotoba Shin-Yokohama II Hanakotoba Oppama	6.7
Sawayaka Club Co., Ltd.	さわやか倶楽部	98	–	A consolidated subsidiary of UCHIYAMA HOLDINGS Co., Ltd., which is listed on the TSE Standard Market	The company operates a nationwide network of facilities centered on paid nursing homes, including residential paid nursing homes, short stays, group homes, day services, and day-care support services for disabled children.	SAWAYAKA Tachibanakan SAWAYAKA Mekarikan SAWAYAKA Tagawakan	4.0
Kawashima Corporation	Sunny Life	160	–	Unlisted company	A major nursing care business operator operating nationwide centering on the Tokyo Metropolitan Area, with Sunny Life as the main brand and under the motto “Encourage the elderly and the family to get relieved from exhausting nursing care.” None of their facilities requires initial fees.	Sunny Life Kita-Shinagawa Sunny Life Kamakura	3.9
Verde Corporation	verde	6	–	Unlisted company	A core company of the Berge, Hotakakai, and Takumi Group, a nursing care/welfare business group holding the largest number of rooms in Gunma Prefecture.	Verde Minowa Verde Hotaka	3.6
AS PARTNERS Co., Ltd.	暮らしを、共に。 as partners	27	–	Company listed on the TSE Standard Market	Operates paid nursing homes and day service facilities under the ASHEIM brand in the Tokyo Metropolitan Area.	ASHEIM Hikarigaoka ASHEIM Bunkyohakusan	3.4
Medical Corporation AIKOKAI	医療法人 愛広会	13	3	A medical corporation which belongs to NSG Group with sales of over 110 billion yen (Note 4)	Operating hospitals and clinics as well as paid nursing home with care service, group home and long-term care health facilities in Niigata Prefecture.	Aikoen Ichibankan Building Niigata Rehabilitation Hospital	3.4
Nichii Carepalace Company	ニチイ	101	–	Unlisted company (100% subsidiary of NICHII HOLDINGS CO.,LTD.)	The company operates three brands of senior residences,“Nichii Home”, “Nichii Maison”, and “Iris Garden”, in the three major metropolitan areas.	Nichii Home Nishikokubunji Nichii Maison Inage	2.7

Operator List③

Operator name		Number of facilities (Note 1)		Attribute	Remarks	Facilities owned by HCM	Share (%) (Note 2)
		Facilities and housing for the elderly	Hospital				
Meisho Co., Ltd.		33	–	Unlisted company	The company providing a wide range of community-based medical services mainly in Adachi-ku, Tokyo. Having Sonoda Medical Corporation as its parent organization, the company operates paid nursing homes and such in Tokyo, Saitama and Chiba Prefectures.	Heartland Kawaguchi Meiseien	2.4
JAPAN LIFEDESIGN Inc.		3	–	Unlisted company (Capital partnership by Nomura Real Estate Holdings, Inc.)	Operates paid nursing homes under the GOOD TIME HOME brand in Tokyo. Operates in Kyushu and Hokkaido besides the Tokyo Metropolitan Area through SOUSEI JIGYOUDAN Co., Ltd., the parent company, and other subsidiaries.	GOOD TIME HOME Fudo-mae	2.1
SENIOR LIFE SUPPORT Co.,Ltd		3	–	A affiliate of Zensho Holdings Co., Ltd., which is listed on the TSE Prime Market	The company is a nursing care service provider under the umbrella of Zensho Holdings Co., Ltd., which operates food servise and such.	Royal Kawaguchi	1.5
TSUKUI CORPORATION		102	–	Unlisted company	The company started its nursing care business in 1983, and has developed home care services, residential care services, and home nursing services, with more than 550 day care centers nationwide as its core.	TSUKUI SUNSHINE YOKOHAMA TOTSUKA	1.4
SUNWELS Co., Ltd.		38	–	Company listed on the TSE Prime Market	The company operates mainly nursing care facilities such as PD House, a paid nursing home specializing in Parkinson's disease, as well as medical-specific residences and group homes.	PD House Higashi-Osaka	0.8

(Note 1) The "Number of facilities operated" is the total number of senior care facilities, residences, and hospitals operated by each operator. Information obtained from each company (including publicly available materials) and information on each company's website (GREEN LIFE Co., Ltd. and the number of hospitals for Medical Corporation AIKOKAI are as of the end of February 2025,TSUKUI CORPORATION as of March 1, 2025, and other operators as of the end of March 2024).
(Note 2) Shares based on acquisition price are indicated. Furthermore, the operators of SHIP Senri Building are separated based on an area basis, with Kyowakai Medical Corporation for the Senri-Chuo Hospital portion and GREEN LIFE Co., Ltd. for the other portions.
(Note 3) Only the number of long-term care health facilities is indicated.
(Note 4) Indicates the actual figures in September 2024 based on NSG Group's website.

Balance Sheet and Income Statement

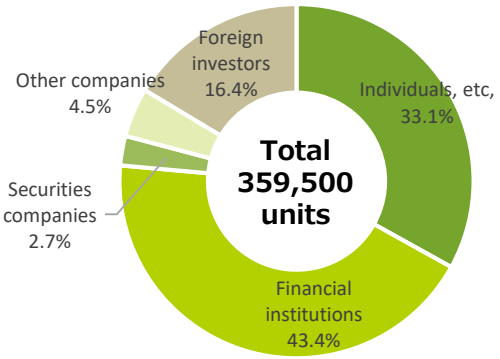
Balance Sheet (Unit: thousand yen)	19th Fiscal Period ended July 2024	20th Fiscal Period ended January 2025
Assets		
Current assets	2,517,847	2,642,313
Cash and deposits	2,054,260	2,108,753
Cash and deposits in trust	275,885	309,833
Operating accounts receivable	48,590	46,922
Consumption taxes receivable	131,355	149,522
Prepaid expenses	1,074	–
Derivative receivables	6,122	26,723
Other	558	558
Non-current assets	80,921,860	81,953,629
Property, plant and equipment	80,263,214	81,080,948
Intangible assets	1,793	1,467
Investments and other assets	656,852	871,212
Deferred assets	17,191	10,407
Investment unit issuance costs	5,742	–
Investment corporation bond issuance costs	11,448	10,407
Total assets	83,456,898	84,606,349
Liabilities		
Current liabilities	6,453,629	8,454,680
Operating accounts payable	32,458	61,810
Current portion of long-term loans payable	5,550,000	6,400,000
Short-term loans payable	–	1,170,000
Accounts payable – other	177,562	100,218
Accrued expenses	272,589	281,497
Income taxes payable	911	865
Consumption taxes payable	5,649	22,071
Advances received	414,295	417,555
Deposits received	162	660
Non-current liabilities	38,353,297	37,549,268
Investment corporation bonds	2,000,000	2,000,000
Long-term loans payable	34,100,000	33,250,000
Tenant leasehold and security deposits	1,958,082	1,958,082
Tenant leasehold and security deposits in trust	194,616	194,616
Deferred tax liabilities	100,598	146,569
Total liabilities	44,806,927	46,003,949
Net assets		
Unitholders' capital	38,430,802	38,283,078
Unitholders' capital, net	37,373,944	37,258,289
Surplus	1,056,858	1,024,789
Valuation and translation adjustments	219,168	319,321
Deferred gains or losses on hedges	219,168	319,321
Total net assets	38,649,971	38,602,400
Total liabilities and net assets	83,456,898	84,606,349

Statement of Income (Unit: thousand yen)	19th Fiscal Period ended July 2024	20th Fiscal Period ended January 2025
Operating revenue	2,514,494	2,522,797
Leasing business revenues	2,503,802	2,510,614
Other revenue related to leasing business	10,692	10,650
Gain on investments in anonymous partnerships	–	1,532
Operating expenses	1,215,878	1,249,158
Expenses related to leasing business	859,626	877,278
Asset management fee	233,603	241,148
Asset custody fee	2,891	2,918
Administrative service fees	17,915	19,478
Directors' compensation	5,400	5,400
Property tax	34,487	36,164
Other operating expenses	61,953	66,769
Operating income	1,298,616	1,273,638
Non-operating income	478	2,377
Interest income	21	264
Insurance income	–	1,766
Interest on tax refund	–	1
Reversal of distributions payable	456	307
Other non-operating income	–	36
Non-operating expenses	243,343	250,514
Interest expenses	165,128	170,939
Interest expenses on investment corporation bonds	7,800	7,800
Amortization of investment unit issuance costs	5,742	5,742
Amortization of investment corporation bond issuance costs	1,040	1,040
Borrowing expenses	63,632	64,990
Ordinary income	1,055,751	1,025,501
Income before income taxes	1,055,751	1,025,501
Income taxes - current	912	895
Income taxes - deferred	△0	0
Total income taxes	912	895
Net income	1,054,839	1,024,605
Retained earnings brought forward	2,019	183
Unappropriated retained earnings (undisposed loss)	1,056,858	1,024,789

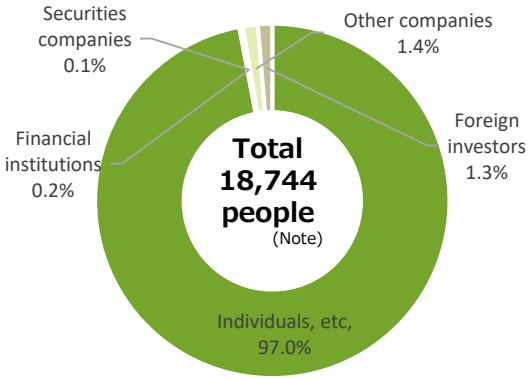
Information Related to Investment Units

Status of Unitholders

Ratio of Number of Investment Units by Unitholder Type

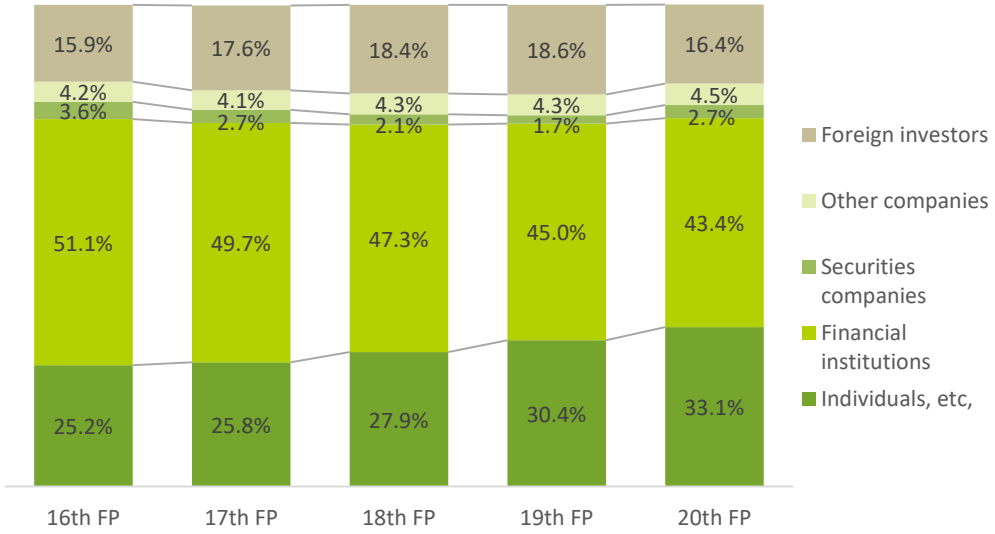


Ratio of Number of Unitholders by Unitholder Type



(Note) Increased by 295 from the previous fiscal period

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



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

List of Top Unitholders

Ranking	Name	Number of investment units owned (units)	Ownership ratio (%)
1	Custody Bank of Japan, Ltd. (Trust Account)	79,727	22.2
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	37,779	10.5
3	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	16,195	4.5
4	NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	11,887	3.3
5	THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	5,610	1.6
6	Morgan Stanley MUFG Securities Co.	5,027	1.4
7	STATE STREET BANK AND TRUST COMPANY 505001	4,432	1.2
8	NEC Capital Solutions, Ltd.	4,000	1.1
8	Ship Healthcare Holdings Co.	4,000	1.1
8	Sumitomo Mitsui Banking Co.	4,000	1.1
Total		172,657	48.0

HCM's Investment Philosophy and Three Features

Investment Philosophy

HCM Healthcare & Medical Investment Corporation

Serve as a conduit between the nursing care and medical service industries and the capital markets

Develop a portfolio specialized in healthcare facilities, for which demand is expected to grow

Promote the supply of healthcare facilities as social infrastructure

We seek to realize a society where all people can live vibrantly and with peace of mind

Three Features

Investment in healthcare facilities for which demand is expected to grow

- Increase in demand due to further advancement of aging society
- Upgrades and expansion of healthcare facilities backed by government policy

Strong support from sponsors

- Utilization of advanced expertise in "nursing care and medical service," "fund management" and "finance" held by SHIP HEALTHCARE, NEC Capital and SMBC
- Securement of property acquisition opportunities by utilizing extensive networks

Stable cash flow in the long term

- Conclusion of long-term fixed-rent lease agreements with credible operators
- Proper portfolio management based on strong relationship with operators

Overview of Unitholder Special Benefit Plan

With the cooperation of operators, we offer unitholder special benefits.

Company Name		Details of Special Benefits
GREEN LIFE Co., Ltd.	GREEN LIFE	• Free trial move-in (two-days and one-night with meals) • Tour with free lunch
JAPAN LIFEDESIGN Inc.	Japan Life Design 輝ける最良の人生の為に	• Free trial move-in (two-days and one-night with meals) • Discount initial fee
AS PARTNERS Co., Ltd.	暮らしを、共に。 as partners	• Discount initial fee • Discount monthly fee
Sawayaka Club Co., Ltd.	さわやか倶楽部	• Discount monthly fee for initial month • Free trial move-in (two-days and one-night with meals) • Tour with free lunch
Sompo Care Inc.	SOMPOケア	• Discount initial fee or monthly fee
Proud Life Inc.	プラウドライフ	• Discount initial fee or no deposit
Lifecare Design Inc.	ライフケアデザイン	• Discount initial fee
Nichii Carepalace Company	ニチイ	• Discount initial fee
NOAH KONZER Co.,Ltd	NOAH KONZER CO`LTD 株式会社ノアコンツェル	• Tour with free lunch • Deposit reduction

(Note) The special benefits are for unitholders as of the end of January 2025 and are subject to change in the future.

Profile of Asset Management Company

Profile of the Company

Trade name	Healthcare Asset Management Co., Ltd.	
Location	3-3 Kanda-Ogawamachi, Chiyoda-ku, Tokyo	
Founded	November 28, 2013	
Capital stock	150 million yen	
CEO	Hisatoshi Ishiwara	
Shareholders	SHIP HEALTHCARE HOLDINGS, INC.	33.3%
	NEC Capital Solutions Limited	33.3%
	Sumitomo Mitsui Banking Corporation	5.0%
	Sumitomo Mitsui Finance and Leasing Company, Limited	4.8%
	SMBC Nikko Securities Inc.	4.8%
	Yoei Co.,Ltd.	4.7%
	Ginsen Co.,Ltd.	4.7%
	Kobe Tochi Tatemono Co.,Ltd.	4.7%
	Muromachi Building Co.,Ltd.	4.7%
Registration, license, etc.	Registered as a financial service provider Director of Kanto Local Finance Bureau (Kinsho) No. 2815	
	License as a building lots and buildings business operator Governor of Tokyo (3) No. 96339	
	License as an entrusted agency services for transactions Minister of Land, Infrastructure, Transport and Tourism No. 85	

Organizational Structure

Profile of Major Sponsors

SHIP HEALTHCARE

With a stated mission to “create an environment of people protecting life,” SHIP HEALTHCARE HOLDINGS, INC. focuses on the five business domains of medical, health, welfare, nursing care and services. Centering around the partnership with medical institutions, the entire group companies carry out a variety of nursing care and medical service-related businesses, ranging from consultation on reconstruction, development, etc. of hospitals and such to operation of nursing homes and dispensing pharmacy business.

SHIP HEALTHCARE HOLDINGS INC.	
Headquarters location	3-20-8 Kasuga, Suita-shi, Osaka
Representative	Chairman: Kunihisa Furukawa President: Futoshi Ohashi
Founded	August 1992
Capital stock	15,553 million yen
Sales	630,988 million yen on a consolidated basis (fiscal period ended March 2024)

NEC

NEC Capital Solutions Limited

As the SBI Shinsei Bank Group's comprehensive financial services company, NEC Capital Solutions Limited delivers finance services such as leasing and installment payments to a broad customer base. In addition, it offers investments, loans, and advisory services through funds, etc. in the business domains of “companies,” “credits,” and “assets,” mainly through its subsidiary, RISA Partners, Inc.

NEC Capital Solutions Limited	
Headquarters location	2-15-3 Konan, Minato-ku, Tokyo
Representative	President: Masaaki Suganuma
Founded	November 1978
Capital stock	3,783 million yen
Sales	255,857 million yen (fiscal period ended March 2024)

SMBC SUMITOMO MITSUI BANKING CORPORATION

Positioned as the core company of the SMFG, SMBC possesses one of the strongest sales foundations in Japan as well as the ability to execute strategies quickly, and is capable of providing financial services through its influential group companies. Furthermore, it boasts one of the strongest track record in Japan for financing listed real estate investment corporations.

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

Disclaimer

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