

As of June 20, 2019

Hopeful future for Japan

Nippon Healthcare Investment Corporation

Presentation Material for
The 10th Fiscal Period Ended April 2019
Securities code : 3308



日本ヘルスケア投資法人
Nippon Healthcare Investment Corporation

大和リアル・エステート・アセット・マネジメント
Daiwa Real Estate Asset Management



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Topics for 10th Fiscal Period (Ended April 2019)

<Management status>

- Average occupancy rate for the entire portfolio at the end of the 10th Fiscal Period was the highest ever at 93.2% (up 2.6 percentage points from the 9th Fiscal Period)
- Operators' rent-paying capacity was 1.6, the same as the 9th Fiscal Period
“More than 1.5x, but 2.0x or less” increased to 48.5 from 34.2% at the end of the 9th Fiscal Period
- Exterior repairs and facility upgrades were conducted at some facilities with the purpose of promoting occupancy and maintaining stability (Sompo Care LAVIERE Sagamihara Chuo: 14 million yen, Charm Sweet Ryokuchi Koen: 3 million yen, etc.)

<External growth>

- Acquired first portfolio property located in Tokyo (December 20, 2018)
“Irise Komae Bettei” (Acquisition price: Approx. 390 million yen, 30% quasi-co-ownership interest)

<Financial status>

- LTV was 46.6%, ratio of fixed rates was 100.0% and average remaining loan period was 2.0 years



Section 1

Operating Results

for the 10th Fiscal Period



Operating Results for 10th Fiscal Period

Actual results for the 10th Fiscal Period

(unit: million yen)

	9th FP (ended Oct. 2018) (results)	10月0th FP (ended Apr. 2019) (results)	Difference
Number of properties owned at end of the fiscal period	22	23	+ 1
Operating revenue	697	705	+ 7
Operating expenses	425	424	- 1
Property-related expense (excluding depreciation)	90	96	+ 5
Depreciation	199	202	+ 2
Operating income	271	281	+ 9
Non-operating revenue	0	4	+ 4
Non-operating expense	28	28	+ 0
Interest expense	21	21	- 0
Ordinary income	244	257	+ 13
Net income	243	256	+ 13
Number of investment units issued and outstanding at the end of the fiscal period (units)	74,632	74,632	-
Distribution per unit (yen) (including distribution in excess of earnings)	4,130	4,307	+ 177
Distribution per unit (excluding distribution in excess of earnings)	3,260	3,437	+ 177
Distribution per unit in excess of earnings	870	870	-
(Reference)			
Depreciation per unit (yen)	2,674	2,714	
Ratio of distribution in excess of earnings to depreciation per unit	32.5%	32.0%	

Factor	Item	
Increase	Revenue (rents and common area fees) from 1 property acquired during the fiscal period	+ 7million yen
Increase	Repair Cost	+ 7million yen
	Depreciation	+ 2million yen
Decrease	Asset Custody and Admin. Service Fees	- 6million yen
	Asset Management Fees	- 4million yen

Comparison of forecast and actual results for 10th Fiscal Period

(unit: million yen)

	10th FP (ended Apr. 2019) (forecast) (Disclosed as of 19 Dec. 2018)	10th FP (ended Apr. 2019) (results)	Difference
Number of properties owned at end of the fiscal period	23	23	-
Operating revenue	705	705	- 0
Operating expenses	424	424	- 0
Net income	250	256	+ 5
Distribution per unit (yen) (including distribution in excess of earnings)	4,230	4,307	+ 77
Distribution per unit (excluding distribution in excess of earnings)	3,360	3,437	+ 77
Distribution per unit (in excess of earnings)	870	870	-

Factor	Item	
Increase	Non-operating expense (Other Non-operating expense)	+ 4million yen



Forecast of Operating Results for 11th Fiscal Period and 12th Fiscal Period

Forecast of the 11th fiscal period

(unit: million yen)

	11h FP (ending Oct. 2019) (forecast)	Difference from the 10th FP
Number of properties owned at end of the fiscal period	23	-
Operating revenue	707	+2
Operating expenses	427	+3
Property-related expenses (excluding depreciation)	95	- 0
Depreciation	203	+1
Operating income	280	- 0
Non-operating revenue	-	-4
Non-operating expense	29	+0
Interest expense	22	+0
Ordinary income	251	-6
Net income	250	-6

Factor	Item
Increase	<ul style="list-style-type: none"> Revenue (rents and common area fees) from 1 properties acquired during the fiscal period + 2million yen
Increase	<ul style="list-style-type: none"> Tax and public dues (general and administrative expense) + 2million yen Management Fees + 1million yen
Decrease	<ul style="list-style-type: none"> Repair Cost - 2million yen

	11h FP (ending Oct. 2019) (forecast)	Difference from the 10th FP
Number of investment units issued and outstanding at the end of the fiscal period (units)	74,632	-
Distribution per unit (yen)	4,230	-77
(including distribution in excess of earnings)		
Distribution per unit (excluding distribution in excess of earnings)	3,350	-87
Distribution per unit in excess of earnings	880	+10

(Reference)

Depreciation per unit (yen)	2,731
Ratio of distribution in excess of earnings to depreciation per unit	32.2%

Forecast of the 12th fiscal period

(unit: million yen)

	12th FP (ending Apr. 2020) (forecast)	Difference from the 11th FP
Number of properties owned at end of the fiscal period	23	-
Operating revenue	707	+0
Operating expenses	428	+0
Property-related expenses (excluding depreciation)	97	+2
Depreciation	203	- 0
Operating income	279	- 0
Non-operating revenue	-	-
Non-operating expense	28	- 0
Interest expense	21	- 0
Ordinary income	251	+0
Net income	250	+0

Factor	Item
Increase	<ul style="list-style-type: none"> Repair Cost + 2million yen
Decrease	<ul style="list-style-type: none"> Other Fees - 1million yen

	12th FP (ending Apr. 2020) (forecast)	Difference from the 11th FP
Number of investment units issued and outstanding at the end of the fiscal period (units)	74,632	-
Distribution per unit (yen)	4,230	-
(including distribution in excess of earnings)		
Distribution per unit (excluding distribution in excess of earnings)	3,350	-
Distribution per unit in excess of earnings	880	-

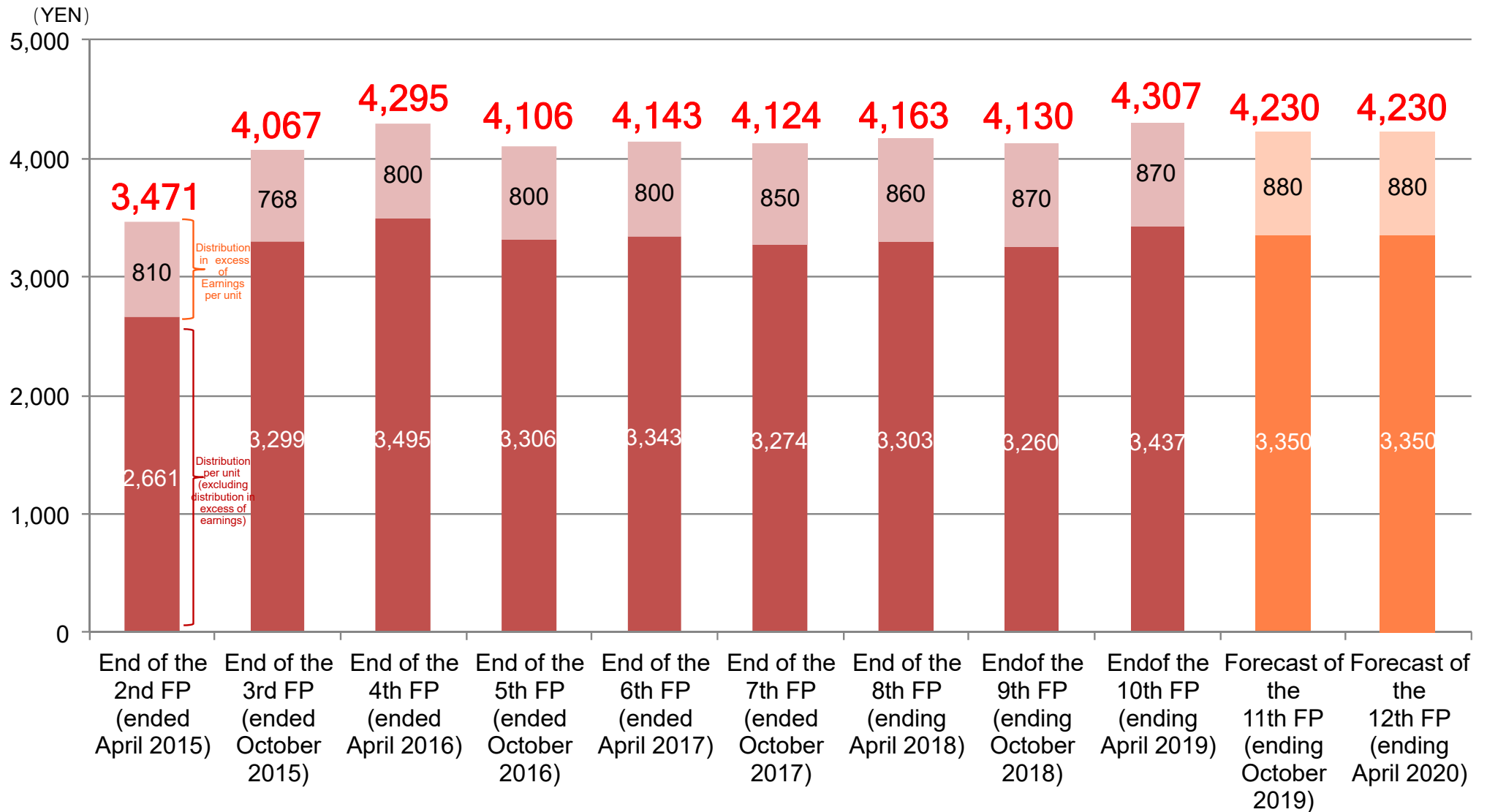
(Reference)

Depreciation per unit (yen)	2,730
Ratio of distribution in excess of earnings to depreciation per unit	32.2%



Distribution per Unit

Distribution per Unit





Memorandum



Section 2

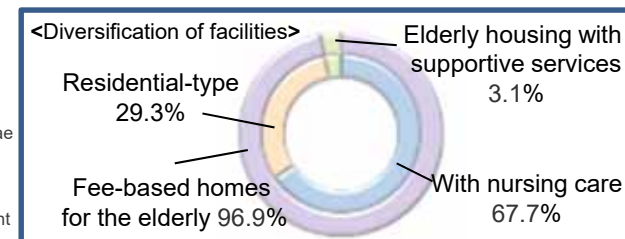
Portfolio Analysis



Portfolio List (as of June 20, 2019)

No. (Note 1)	Acquisition period	Property name	Facility type	Operator	Location	Acquisition price (Note 2)		Appraisal value (million yen) (Note 3)	Number of rooms (rooms) (Note 4)	Occupancy rates (%)			
						Price (million yen)	Share of portfolio (%)			9th FP (Note 5)	10th FP (Note 6)	Difference	
1	1st Fiscal Period	Charm Sweet Ryokuchi Koen	Fee-based homes for the elderly with nursing care	Charm Care Corporation	Toyonaka City, Osaka	1,950	9.9	3,030	128	98.4	98.4	0.0	
2	2nd Fiscal Period	Super Court JR Nara-Ekimae	Residential-type fee-based homes for the elderly	Super Court	Nara City, Nara	1,569	8.0	1,750	155	92.9	92.9	0.0	
3	1st Fiscal Period	Sompo Care LAVIERE Hiroshima Hikarigaoka	Fee-based homes for the elderly with nursing care	Sompo Care	Hiroshima City, Hiroshima	960	4.9	1,220	80	93.7	93.7	0.0	
4	1st Fiscal Period	Sompo Care LAVIERE Sagamihara Chuo	Fee-based homes for the elderly with nursing care		Sagamihara City, Kanagawa	1,170	5.9	1,790	80	78.7	96.2	17.5	
5	2nd Fiscal Period	Sompo Care LAVIERE Kinugasayama Koen	Fee-based homes for the elderly with nursing care		Yokosuka City, Kanagawa	1,839	9.3	2,090	104	89.4	86.5	-2.9	
6	5th Fiscal Period	Sompo no ie Nishitanabeekimae	Fee-based homes for the elderly with nursing care		Osaka City, Osaka	710	3.6	739	42	97.6	100.0	2.4	
7	1st Fiscal Period	Sawayaka Kaikyokan	Fee-based homes for the elderly with nursing care		Sawayaka Club	Kitakyushu City, Fukuoka	630	3.2	898	65	95.3	100.0	4.7
8	1st Fiscal Period	Sawayaka Meisuikan	Fee-based homes for the elderly with nursing care			Kitakyushu City, Fukuoka	590	3.0	812	87	100.0	96.5	-3.5
9	1st Fiscal Period	Sawayaka Heart Life Nishikyogoku	Residential-type fee-based homes for the elderly	Kyoto City, Kyoto		750	3.8	1,130	84	94.0	98.8	4.8	
10	2nd Fiscal Period	Sawayaka Hinodekan	Fee-based homes for the elderly with nursing care	Niigata City, Niigata		773	3.9	921	50	96.0	96.0	0.0	
11	2nd Fiscal Period	Sawayaka Riverside Kurinoki	Residential-type fee-based homes for the elderly	Niigata City, Niigata		266	1.3	323	33	94.8	92.3	-2.5	
12	2nd Fiscal Period	Sawayaka Obatake Sanbankan	Residential-type fee-based homes for the elderly	Kitakyushu City, Fukuoka		289	1.5	355	50	94.0	94.0	0.0	
13	1st Fiscal Period	Nichii Care Center Fukushima Omori	Fee-based homes for the elderly with nursing care	Nichii Gakkan	Fukushima City, Fukushima	265	1.3	339	52	100.0	100.0	0.0	
14	2nd Fiscal Period	La'nassica Arakogawa	Fee-based homes for the elderly with nursing care	Cedar	Nagoya City, Aichi	1,279	6.5	1,460	100	98.0	96.0	-2.0	
15	1st Fiscal Period	Verger Hirakata	Residential-type fee-based homes for the elderly	Nihon Kaigo	Hirakata City, Osaka	950	4.8	1,560	104	76.6	78.5	1.9	
16	3rd Fiscal Period	Minna-no-ie Omiya Tsutsujigaoka Park	Fee-based homes for the elderly with nursing care	Wisnet	Saitama City, Saitama	740	3.8	776	33	84.8	84.8	0.0	
17	3rd Fiscal Period	Minna-no-ie Chuo-ku En'nami	Fee-based homes for the elderly with nursing care		Saitama City, Saitama	838	4.3	861	51	80.3	94.1	13.8	
18	3rd Fiscal Period	Silver Heights Hitsujigaoka No.3	Fee-based homes for the elderly with nursing care	Silver Heights Sapporo	Sapporo City, Hokkaido	1,200	6.1	1,340	109	92.7	91.8	-0.9	
19	4th Fiscal Period	Alpha Living Okayama Nishigawa Ryokudoko	Residential-type fee-based homes for the elderly	Anabuki Medical Care	Okayama City, Okayama	730	3.7	788	53	76.3	78.1	1.8	
20	4th Fiscal Period	Alpha Living Okayama Korakuen	Residential-type fee-based homes for the elderly		Okayama City, Okayama	610	3.1	659	45	89.5	93.7	4.2	
21	4th Fiscal Period	Alpha Living Takamatsu Ekimae	Residential-type fee-based homes for the elderly		Takamatsu City, Kagawa	605	3.1	641	43	81.8	86.3	4.5	
22	4th Fiscal Period	Alpha Living Takamatsu Hyakkenmachi	Elderly housing with supportive services		Takamatsu City, Kagawa	605	3.1	627	50	83.3	85.1	1.8	
23	10th Fiscal Period	Irise Komae Bettei	Fee-based homes for the elderly with nursing care		Hitowa care service	Komae City, Tokyo	394	2.0	399	59	98.3	98.3	0.0
11 operators 23 properties Total						19,712	100.0	24,508	1,657	-	-	-	

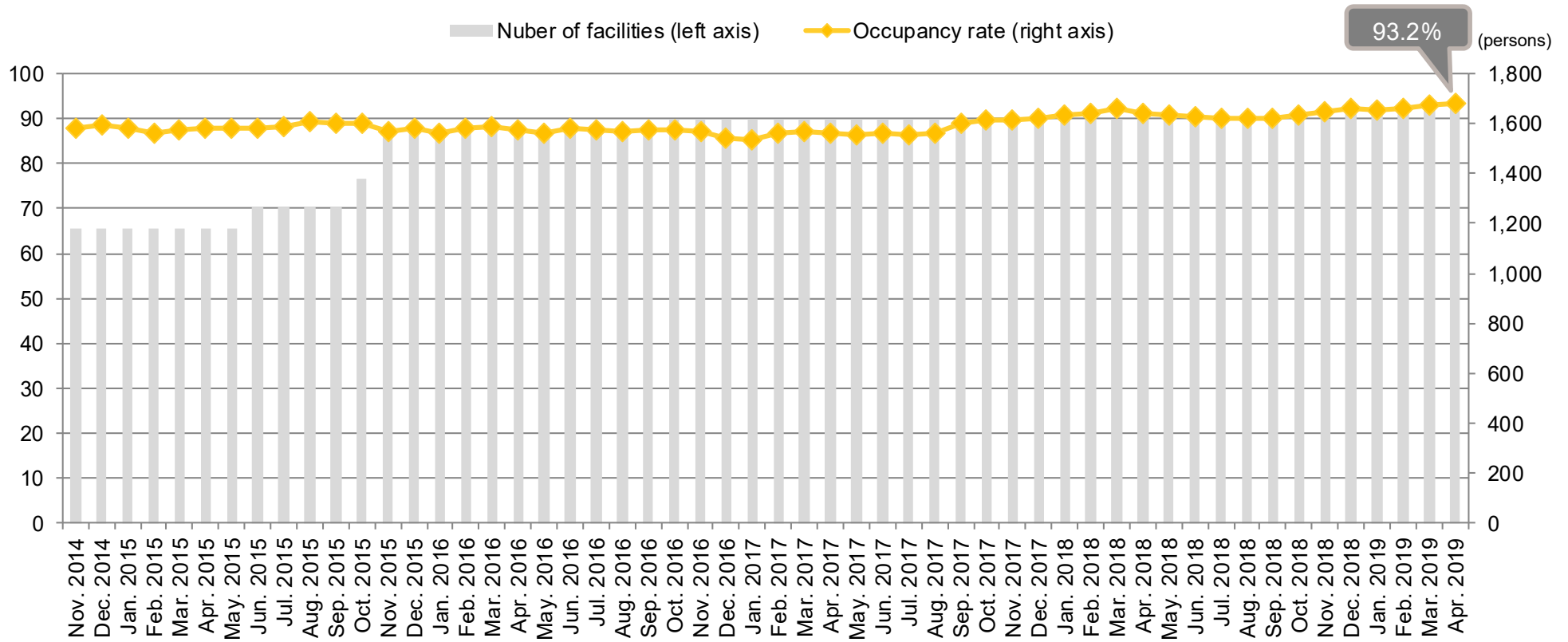
- (Note 1) Red numbers refer to Three major metropolitan areas and blue numbers to Core cities. The background colors for Property name and Facility type columns indicate types of facilities; orange for fee-based homes for the elderly with nursing care, blue for residential-type fee-based homes for the elderly and yellow-green for elderly housing with supportive services.
- (Note 2) "Acquisition price" is excluding consumption tax, local consumption tax and the various expenses required for the acquisition. "Share of portfolio" is the respective acquisition price expressed as a percentage of the total of the acquisition prices, rounded to one decimal place. Therefore the total of "Share of portfolio" may be different from the figure indicated in "Total."
- (Note 3) Appraisal values is as of April 30, 2019. Appraisal values for "Irise Komae Bettei" is calculated for the 30% quasi-co-ownership interest.
- (Note 4) "Number of rooms" is the figure indicated in the written explanation of important matters pertaining to the fee-based home for the elderly provided by the operator. "Irise Komae Bettei" lists the number of rooms in the whole facility.
- (Note 5) "Occupancy rate" is obtained by dividing the number of residents indicated in the written explanation of important matter received in November 2018 from operators by the resident capacity, rounded down to one decimal place.
- (Note 6) "Occupancy rate" is obtained by dividing the number of residents indicated in the written explanation of important matters received in May 2019 from operators by the resident capacity, rounded down to one decimal place.





Status of Portfolio : Change in Occupancy Rates

Change in occupancy rates (overall)




Stable occupancy rates

- The overall occupancy rate UP 2.6% to 93.2% at the end of April 2019 from 90.6% at the end of October 2018.
- The period average UP 2.0% to 92.2% for the 10th Fiscal Period from 90.2% for the 9th Fiscal Period.
- With the significant improvement in the occupancy rates of some facilities which had rather low occupancy rates, the occupancy rates remained at the highest level since listing for both period-end and period-average.

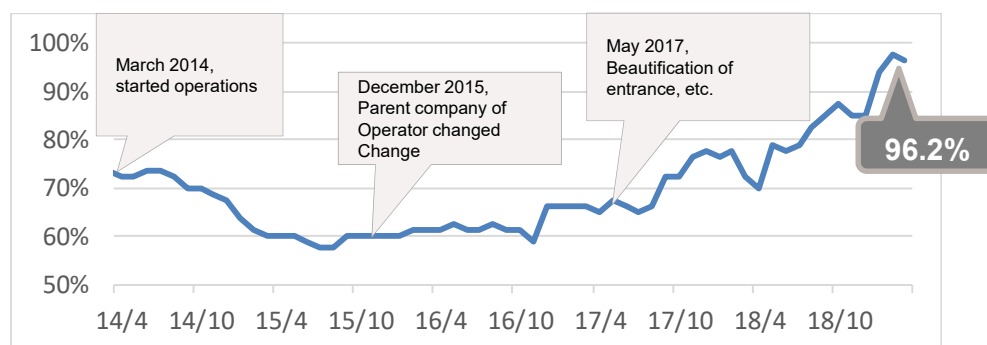
(Note) Occupancy rates are obtained by dividing the number of residents based on interviews with all facilities, by resident capacity.

Portfolio Occupancy Rate Improvement Cases

Sompo Care LAVIERE Sagamihara Chuo (Acquisition price: 1,170 million yen)

	Operator	Sompo Care Next Inc.
	Location	3-6-3 Chuo, Chuo-ku, Sagamihara-shi, Kanagawa
	Number of rooms (rooms)	80
	Opened	August 1, 2008

Change in Occupancy Rates for Sompo Care LAVIERE Sagamihara Chuo



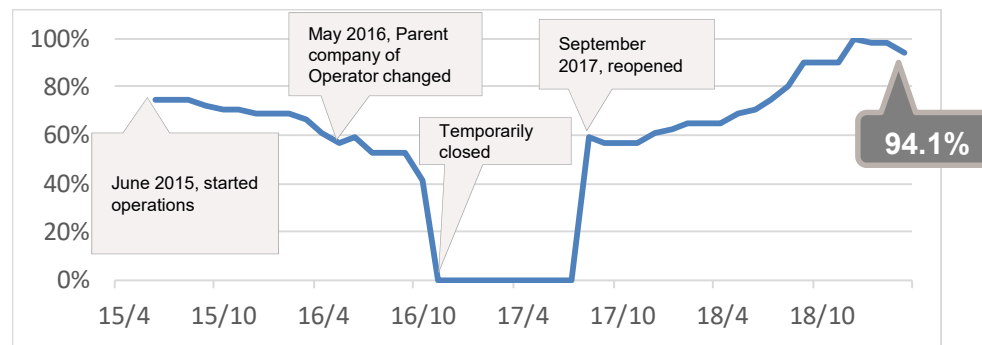
History of Occupancy Rate Improvement

- Upon acquisition in March 2014, occupancy rate declined due to new opening of competing facilities.
- In December 2015, the parent company of the operator switched from Watami to Sompo Japan Nipponkoa Holdings, Inc., currently known as Sompo Holdings, Inc. The facility name was rebranded in April 2016 to SOMPO CARE LAVIERE. In July 2016, the operating structure changed, a new fee plan was established that abolished the one-time entrance fee and the operating area expanded to hospitals. In addition, given the suggestion from the Asset Management Company, beautification was conducted within the facility including the entrance, common-use halls, and parking lots.
- From September 2016, the occupancy rate gradually started to recover, and it reached 96.2% as of March 2019.

Minna-no-ie Chuo-ku En'nami (Acquisition price: 838 million yen)

	Operator	Wisnet Co., Ltd.
	Location	5-5-17 En'nami, Chuo-ku, Saitama-shi, Saitama
	Number of rooms (rooms)	51
	Opened	April 1, 2014

Change in Occupancy Rates for Minna-no-ie Chuo-ku En'nami



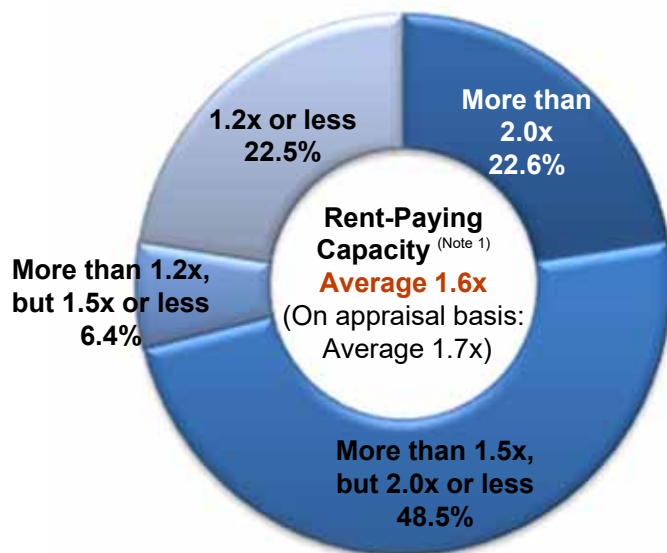
History of Occupancy Rate Improvement

- In May 2016, Sohgo Security Service made the operator, Wisnet, a subsidiary. In December 2016, with the occupancy rate struggling to grow within the entire area, the facility was temporarily closed due to the difficulty in hiring nursing care staff.
- In September 2017, two out of three floors resumed operations. In addition to integrating staff and occupants from facilities that the operator manages, the operational structure was enhanced. Monitoring continues through the Asset Management Company
- Through the introduction-by-staff system, nursing care workers were retained, and operation on all floors commenced in June 2018. Since then, the occupancy rate has recovered, and reached 94.1% as of March 2019.



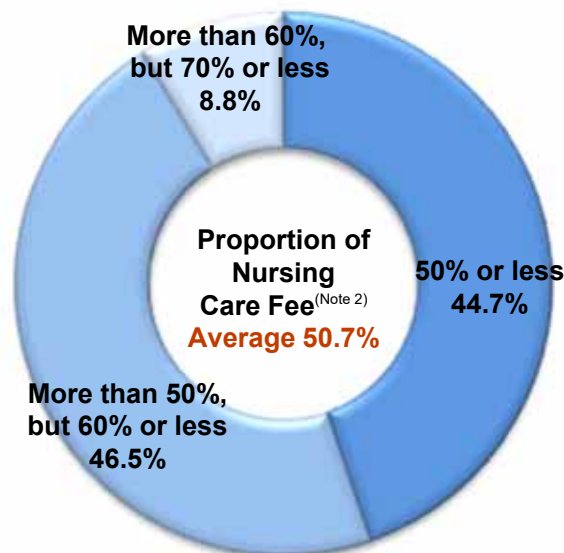
Status of Portfolio (as of April 30, 2019)

Rent-Paying Capacity



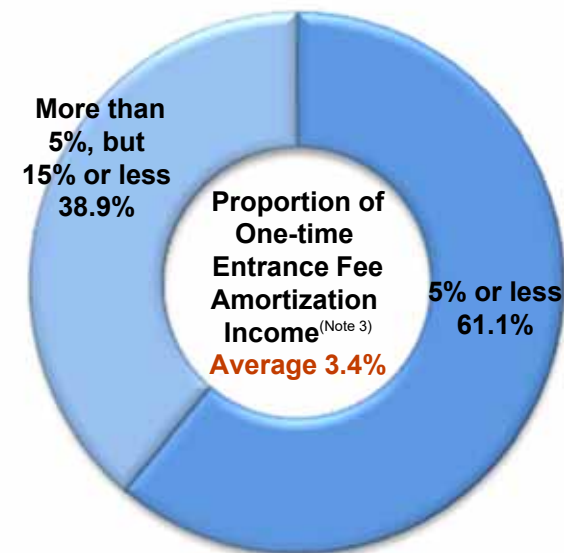
(Note 1) "Rent-paying capacity" refers to the multiple obtained by dividing the respective acquired asset's most recent EBITDAR by rent.
* EBITDAR = asset's operating income + depreciation + rent

Proportion of Nursing Care Fee



(Note 2) "Proportion of nursing care fee" refers to the proportion of the acquired asset's net sales that is accounted for by nursing care fee (including residents' co-payment portion).

Proportion of Entrance Fee Amortization Income



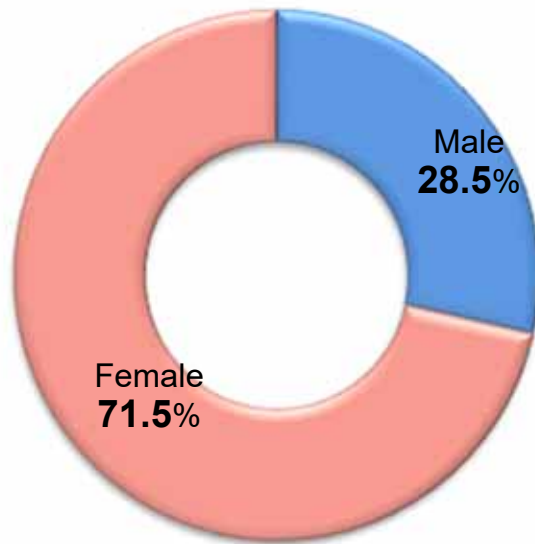
(Note 3) "Proportion of one-time entrance fee amortization income" refers to the proportion of revenue accruing from far each facility one-time entrance fee amortization in total revenue.

(*) Data are based on information on business income and expenditures from April 2018 to March 2019 disclosed by the respective operator. However, the data of the following facilities is based on the financial results of each facilities; Nichii Care Center Fukushima Omori is from January 2018 to December 2018, and the Silver Heights Hitsujigaoka No.3 is from March 2018 to February 2019.



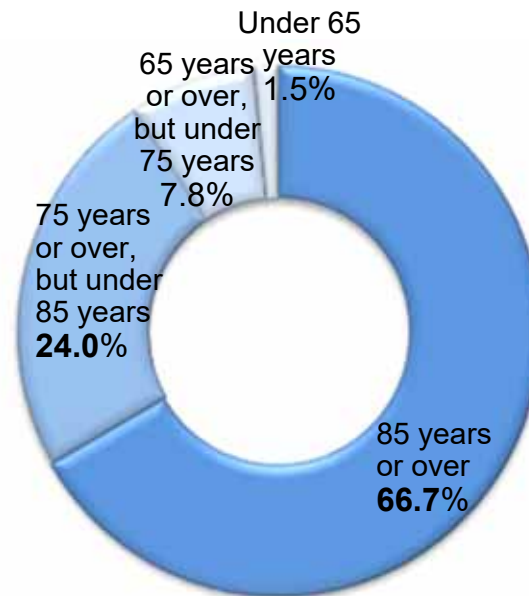
Portfolio Resident Attributes (as of April 30, 2019)

Gender^(Note1)



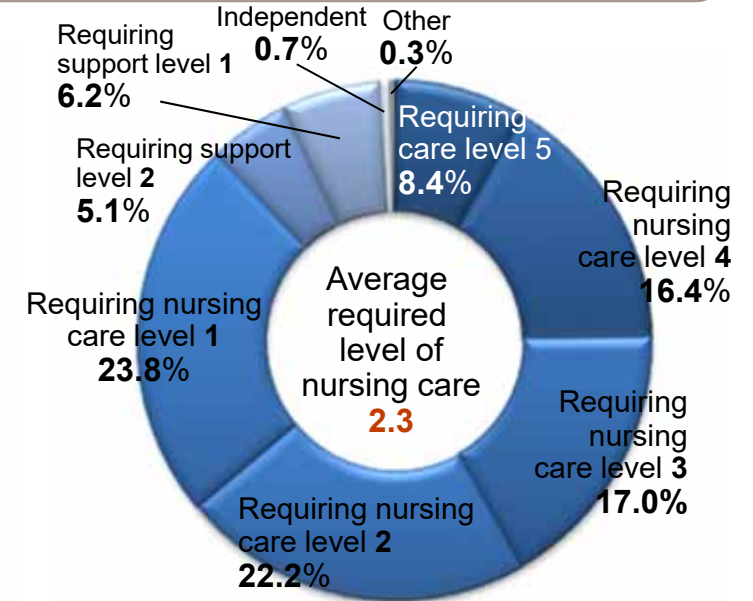
(Note 1) The graph indicates the ratio of the number of residents per gender expressed as a percentage of the total number of residents.

Age Group^(Note2)



(Note 2) The graph indicates the ratio of the number of residents per age group expressed as a percentage of the total number of residents (except for residents at Sampo Care LAVIERE Sagamihara Chuo and Sampo Care LAVIERE Kinugasayama Koen as there is no such information stated in the written explanation of important matters).

Level of Requiring Nursing Care or Support^(Note 3)



(Note3) The graph indicates the ratio of the number of residents per level of requiring nursing care or support expressed as a percentage of the total number of residents.

“Average level of nursing care” indicates the figure obtained by multiplying the respective number of residents categorized as independent, requiring support level 1, requiring support level 2, requiring nursing care levels 1-5 and other by 0, 0.375, 1, 1-5 and 1 respectively, and dividing the sum total by the number of residents.

(*) Data are based on figures stated in the written explanation of important matters (May 2019) provided by each operator. All percentage figures are rounded to one decimal place. “Average required level of nursing care” is rounded down to the first decimal place.



Status of Portfolio: Fee Systems of Facilities

Name of facility	One-time entrance fee ^(Note1) (thousand yen)	Monthly rent (yen) ^(Note1)	As of acquiring the written explanation of important matters
Charm Sweet Ryokuchi Koen	2,400 ~ 4,800	165,879 ~ 211,879	May 1, 2019
		245,879 ~ 251,879	
Super Court JR Nara-Ekimae ^(Note2)		155,080	April 1, 2019
Sompo Care LAVIERE Hiroshima Hikarigaoka	4,500 ~ 6,800	186,690	April 1, 2019
		261,690 ~ 300,020	
Sompo Care LAVIERE Sagamihara Chuo		234,800 ~ 254,800	April 1, 2019
Sompo Care LAVIERE Kinugasayama Koen	3,800 ~ 7,800	199,071	April 1, 2019
		262,401 ~ 329,071	
Sawayaka Kaikyokan		142,600 ~ 145,600	April 1, 2019
Sawayaka Meisuiikan ^(Note2)		106,440 ~ 141,440	April 1, 2019
Sawayaka Heart Life Nishikyogoku		161,600 ~ 181,600	April 1, 2019
Sawayaka Hinodekan		196,820	April 1, 2019
Sawayaka Riverside Kurinoki		157,742	April 1, 2019
Sawayaka Obatake Sanbankan		122,300	April 1, 2019
Nichii Care Center Fukushima Omori		162,743	April 1, 2019
La nassica Arakogawa	1,260 ~ 2,100	152,340 ~ 154,340	April 1, 2019
		189,340	
Verger Hirakata		135,000	April 17, 2019
Minna-no-ie Omiya Tsutsujigaoka Park		166,837	April 1, 2019
Minna-no-ie Chuo-ku En nami		162,400	April 1, 2019
Silver Heights Hitsujigaoka No.3	2,000 ~ 4,000	165,780 ~ 173,340	April 1, 2019
Alpha Living Okayama Nishigawa Ryokudokoen	1,380	137,000 ~ 159,000	April 1, 2019
Alpha Living Okayama Korakuen	1,620 ~ 2,850	148,000 ~ 189,000	April 1, 2019
Alpha Living Takamatsu Ekimae	1,200	157,000 ~ 180,000	April 1, 2019
Alpha Living Takamatsu Hyakkenmachi	1,200	160,000 ~ 205,000	April 1, 2019
Sompo no ie Nishitanabeekimae		195,500	April 1, 2019
Irise Komae Bettei		227,000 ~ 248,000	February 1, 2019

(Note1) "One-time entrance fee" indicates one-time entrance fee stated in the written explanation of important matters or in the price list acquired from the operators. "Monthly fee" indicates the monthly fee for a standard single room stated in the written explanation of important matters or in the price list acquired from the operators (excluding the co-payment amount of nursing care insurance services). One-time entrance fee and monthly rent for facilities with one-time entrance fee are indicated on a one-time entrance fee basis (one-time entrance fee and monthly fee are indicated separately) whereas those for facilities without one-time entrance fee are indicated on a monthly payment basis.

(Note2) Sawayaka Meisuiikan (Former monthly fee 103,440 - 138,440 yen), Super Court JR Nara-Ekimae (Former monthly fee 150,080 yen) revised fees in April 2019.



Remaining Lease Contract Period of Each Property

Operator	Property name	Contract expiry date	Remaining lease contract period ^(Note3)
Hitowa care service	Irise Komae Bettei	January 31, 2047	27.8Years
Wisnet	Minna-no-ie Chuo-ku En nami	March 31, 2044	24.9Years
	Minna-no-ie Omiya Tsutsujigaoka Park	February 28, 2037	17.8Years
Super Court	Super Court JR Nara-Ekimae	July 14, 2039	20.2Years
Charm Care Corporation	Charm Sweet Ryokuchi Koen	August 28, 2038	19.3Years
Silver Heights Sapporo	Silver Heights Hitsujigaoka No.3	November 30, 2035	16.6Years
Anabuki Medical Care	Alpha Living Okayama Nishigawa Ryokudokoen	June 30, 2035	16.2Years
	Alpha Living Okayama Korakuen		
	Alpha Living Takamatsu Ekimae		
	Alpha Living Takamatsu Hyakkenmachi		
Sompo Care	Rest Villa Kinugasayama Koen	September 11, 2034	15.4Years
	Rest Villa Hiroshima Hikirigaoka	March 28, 2034	14.9Years
	Rest Villa Sagamihara Chuo		
	Sompo no ie Nishitanabeekimae	March 31, 2027	7.9Years
Sawayaka Club	Sawayaka Hinodekan	November 30, 2034	15.6Years
	Sawayaka Riverside Kurinoki		
	Sawayaka Obatake Sanbankan		
	Sawayaka Kaikyokan	March 27, 2034	14.9Years
	Sawayaka Meisuiikan		
	Sawayaka Heart Life Nishikyogoku		
Nichii Gakkan	Nichii Care Center Fukushima Omori	March 31, 2034	14.9Years
Nihon Kaigo Iryo Center	Verger Hirakata	March 28, 2034	14.9Years
Cedar	La nassica Arakogawa	March 31, 2028	8.9Years
Average remaining period			16.3Years

(Note1) In case that the property leased to multiple tenants, the information is based on lease agreements with the main tenant of operators.

(Note2) All leasing contracts are ordinary lease contracts.

(Note3) "Remaining Lease Contract Period" indicates period remaining as of April 30, 2019. "Average remaining period" is a weighted average with acquisition prices, rounded to one decimal place.

Properties Renewed in the 10th Fiscal Period

Sompo Care LAVIERE Sagamihara Chuo (Acquisition price: 1,170 million yen)



- Site Features
 - Approximately 1.2 km from Sagamihara Station on the JR Yokohama Line
- Property Features
 - This property has private rooms of over 18 m², the standard room size for facilities with nursing care, equipped with a sink, toilet and bed.

Exterior renovation
<Construction cost: 14 million yen>



<Before renovation >



<After renovation>

- Ten years had passed since Sompo Care LAVIERE Sagamihara Chuo was completed, and in order to ensure that it did not lose competitiveness to competing facilities in the area, renovation work was conducted to maintain its aesthetics
- Conducting the necessary renovation work proactively helps improve the satisfaction of facility staff in addition to residents and their families, and it enhances the relationship with the operator.

Charm Sweet Ryokuchi Koen (Acquisition price: 1,950 million yen)



- Site Features
 - Approximately 1.4 km from Ryokuchi-Koen Station on the Kita-Osaka Kyuko Railway Namboku Line
- Property Features
 - This property uses its strength as a large-scale facility, and its common-use areas have plenty of space. In addition to the dining areas on each floor, the highest floor of the facility (F5) has a hall for activities, etc.

Replacement of air conditioners in room
<Construction cost: 3 million yen>



<After replacement>



<Before replacement>

- Ten years had passed since Charm Sweet Ryokuchi Koen was completed, and a total of 50 air conditioners for rooms were replaced.
- In addition to cost reduction by buying in bulk, we will also realize energy conservation by proactively replacing air conditioners that have deteriorated. By replacing them before the summer, residents will be able to live comfortably in the rooms during the summer.



Section 3

External Growth

Property Acquired in 10th Fiscal Period (Ending April 2019)

Irise Komae Bettei (partial acquisition)

Acquisition price: 394.5 million yen (Acquisition date: December 20, 2018, 30% quasi-co-ownership interest)

Operator: HITOWA Care Service Co., Ltd.

Facility type: Fee-based homes for the elderly with nursing care



First acquisition of a property located in highly populated Tokyo

Location	1-32-5 Higashi-nogawa, Komae-shi, Tokyo	Appraisal value	399 million yen (Note)
Structure/ floors	RC/3F	Appraisal NOI yield	4.6%
Quasi-co-owner	GK DA Healthcare 2	Area	2,475.48m ²
Number of rooms	59	Total floor area	2,016.73m ²
Occupancy rate	98.3% (Written explanation of important matter as of July 1, 2018)	Construction completion	January 2017

(Note) As of December 1, 2018. Calculated the amount for the 30% quasi-co-ownership interest.

Site Features

Various flowers are planted in the facility site. With cherry blossoms running along Nogawa Green Space in the vicinity, a pleasant environment has been created in the community along with the Kitami Fureai Park on the east side of the Property.

Area Features

The area within a 3-km radius of the Property spans all of Komae City and part of Chofu City and part of Setagaya Ward. The number of elderly people aged 75 years or over is 122,000, accounting for 32.6% of the total population of the two cities and one ward. The number of elderly people aged 75 or over in Komae City is expected to increase to 12,400 in 2025 from 10,600 in 2018.

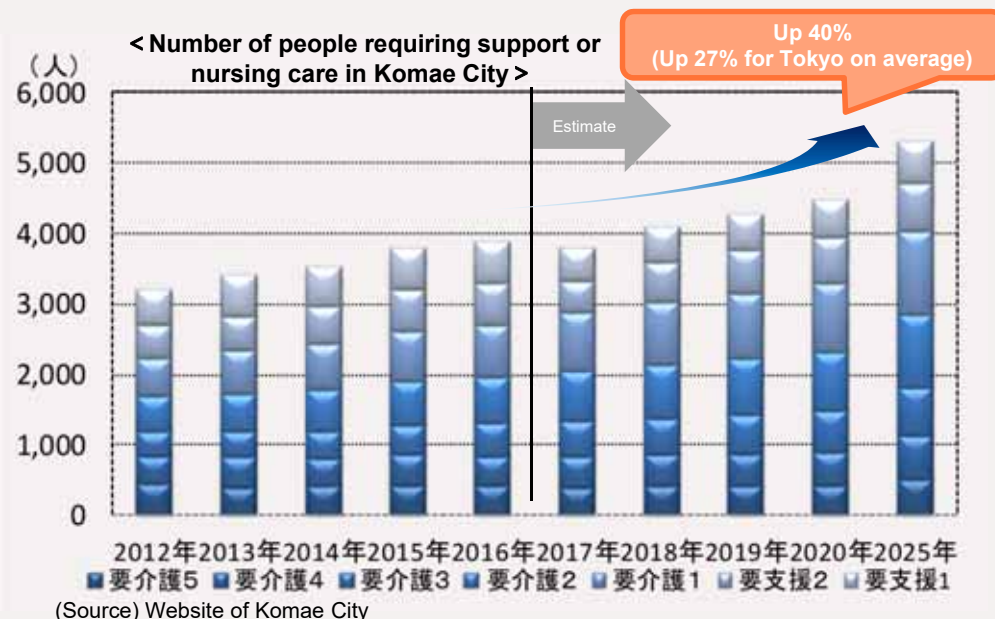
Property Features

The Property is a relatively new facility, completed in 2017, and has private rooms of mainly around 18 m², the standard room size for facilities with nursing care. The rooms are equipped with a sink and toilet.

Increase rate of the number of people requiring support or nursing care in Komae City

The number of people requiring support or nursing care in Komae City was 3,778 in 2017, and is estimated to be 4,470 in 2020 (up 18% from 2017) and 5,296 in 2025 (up 40% from 2017).

As for the entire Tokyo, the number of people requiring support or nursing care was 591,631 in 2017 and is estimated to be 748,703 in 2025 (up 27% from 2017). Thus the increase rate is greater for Komae City.



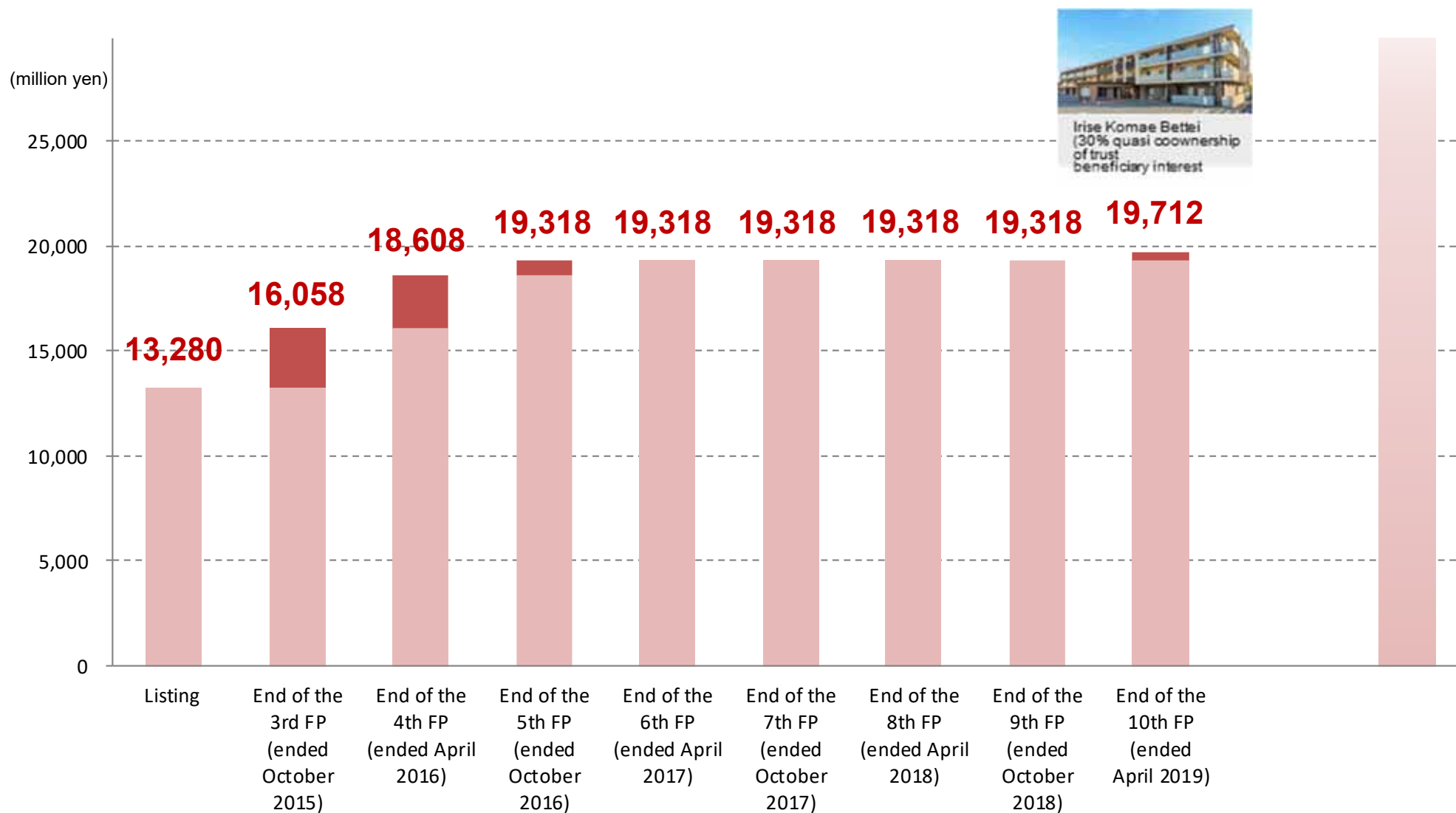
(Reference) < Estimated population for Komae City >

	2017	2020 (estimate)	2025 (estimate)
Total population (persons)	81,633	81,813	81,566
Elderly population (persons)	19,670	20,064	20,495
Rate of population 65 years or older	24.1%	24.5%	25.1%
Number of people requiring support/nursing care (persons)	3,778	4,470	5,296
Ratio against total population	4.6%	5.5%	6.5%



Change in Asset Size

Continuous external growth through acquisition of carefully selected properties





Introduction of Operators

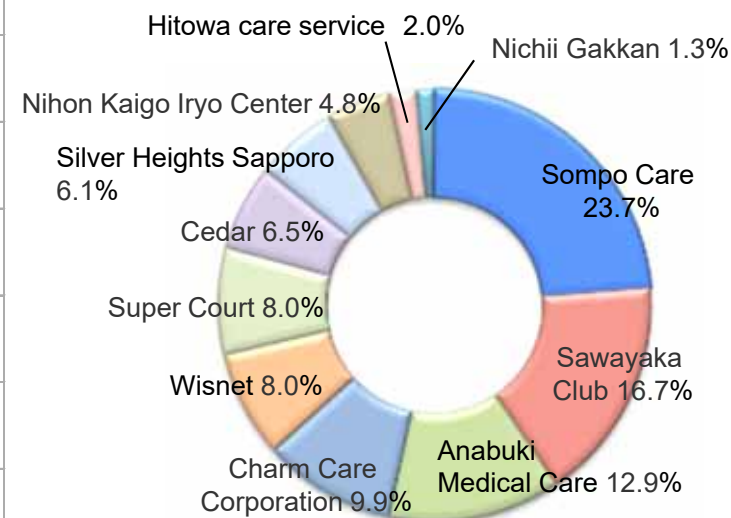
Highly reliable operators

Operator	Number of managed facilities (Note 1,2)	Number of operating rooms (Note 1)	Established	Attributes
Nichii Gakkan	428	13,910	August, 1973	Listed on the first section of the Tokyo Stock Exchange
Sompo Care	424	25,942	May, 1997	Subsidiary of Sompo Holdings, Inc., a company listed on the first section of the Tokyo Stock Exchange
Wisnet	124	3,493	January, 1998	Subsidiary of Sohgo Security Service Co., Ltd., a company listed on the first section of the Tokyo Stock Exchange
Hitowa care service	114	6,911	November, 2006	-
Sawayaka Club	85	4,943	December, 2004	Subsidiary of Uchiyama Holdings Co., Ltd., a company listed on the first section of the Tokyo Stock Exchange
Super Court	51	3,596	August, 1984	-
Charm Care Corporation	48	3,209	May, 1995	Listed on JASDAQ Standard on the Tokyo Stock Exchange
Cedar	42	2,254	April, 1981	Listed on JASDAQ Standard on the Tokyo Stock Exchange
Anabuki Medical Care	30	1,338	June, 2009	Subsidiary of Anabuki Kosan Inc., a company listed on the first section of the Tokyo Stock Exchange
Nihon Kaigo Iryo Center	21	905	October, 1997	-
Silver Heights Sapporo	3	321	December, 1961	-

(Note1) Number of managed facilities and Number of operating rooms indicate the number of facilities and the number of rooms for fee-based homes for the elderly, group homes and elderly housing with supportive services based on operators' websites and interviews with them (as of April 30, 2019).

(Note2) Operators are listed in order of the number of facilities they manage.

Diversification of Operators



Asset size in which lease agreement is concluded with a single operator

40% or less

(Note) The total acquisition price by operator as a percentage of the total acquisition price is indicated, rounded to one decimal place.



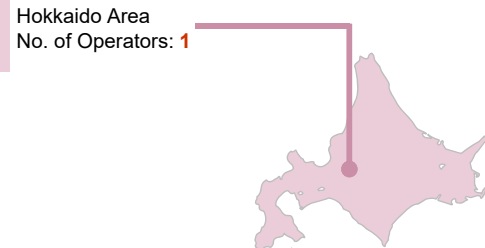
Portfolio Map (as of June 20, 2019)

Owned properties are diversified over 14 prefectures

Three Major Metropolitan Areas



Core City Areas



Chubu Area
No. of Operators: 3

Chugoku Area
No. of Operators: 3



Tohoku Area
No. of Operators: 1

Kanto Area
No. of Operators: 5

Kinki Area
No. of Operators: 5

Shikoku Area
No. of Operators: 2

Kyushu Area
No. of Operators: 3

(Note) Red numbers refer to Three Major Metropolitan Areas and blue numbers to Core City Areas. The background colors for property names indicate types of facilities; orange for fee-based homes for the elderly with nursing care, blue for residential-type fee-based homes for the elderly and yellow-green for elderly housing with supportive services.

Ratios of Investment in Regions

Region	Definition	Target incorporation ratio	incorporation ratio(*)
Three Major Metropolitan Areas	The greater Tokyo area: Tokyo, Kanagawa, Chiba and Saitama prefectures The Chukyo area: Aichi, Mie and Gifu prefectures The Kinki area: Osaka, Kyoto, Hyogo, Nara and Shiga prefectures	50% or more	61.8%
Core City Areas	Cities outside the Three Major Metropolitan Areas with populations of 200,000 or more	50% or less	38.2%
Other	Cities outside the Three Major Metropolitan Areas and the Core City Areas with populations under 200,000	10% or less	0.0%

(*) Incorporation ratio is based on the acquisition price.



Pipeline Development

Increase in the number of property acquisitions using bridge funds formed by Daiwa Securities Group (sponsor) and Daiwa ACA HealthCare as pipelines.

Sponsor's bridge funds

< Pipeline with properties totaling 24 billion yen (part) >



Nichii Home Kachidoki



Airanomori Higashi Ofuna



Plaisant Grand Minamiyukigaya



Irise Komae Bettei
(70% quasi-co-ownership interest)



Alpha Living Takamatsu Konyamachi

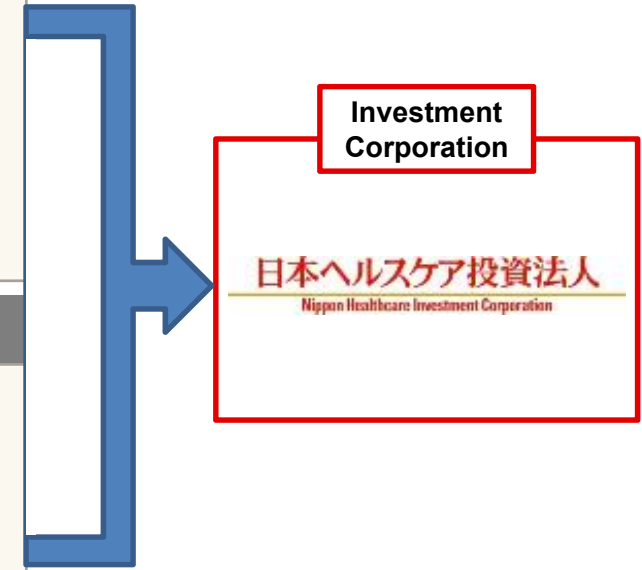


(Tentative) Kamakurayama Project

Daiwa ACA HealthCare Inc.

< Conclusion of a pipeline support agreement with Daiwa ACA HealthCare, of which a stake of 66% is held by the sponsor >

- Seek to acquire properties from funds formed by Daiwa ACA HealthCare going forward



Future pipelines



(Reference) About the Acquisition of ORIX Living Corporation by Daiwa Securities Group

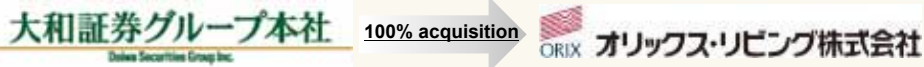
Daiwa Securities Group (sponsor) announced that it will make ORIX Living Corporation its subsidiary (March 2019)

Announced May 21, 2019, Extracts from Daiwa Securities Group's FY2019 Management Strategy Presentation

Providing Solutions to Elderly Customers with the Acquisition of ORIX Living Corporation

Daiwa Securities Group decided to acquire all of the issued shares of ORIX Living Corporation and make it a subsidiary. Conducted investment from the perspectives of diversifying the business portfolio, synergies with existing businesses, and achievement of SDGs.

Acquisition of ORIX Living
(assuming closing during the first half of FY 2019)



Name	ORIX Living Corporation
Principal business	Operation of fee-based nursing homes and rental housing for the elderly
Facilities under management	<ul style="list-style-type: none"> ✓ Operation of 32 facilities under the names of Good Time Living and PLATESIA (2,726 rooms) ✓ 5th in the number of rooms under management among residential-type fee-based homes for the elderly ✓ Pioneer in use of robots and ICT devices for elder care services

Goal of Acquisition

Conducted investment from the perspectives of diversifying the business portfolio, synergies with existing businesses, and achievement of SDGs.

Greater diversification & expansion of the business portfolio

Improved ability to provide retail business solutions

Stronger solutions for elderly customers

Improve relationships with residents and their families. Introduce facilities to customers of Daiwa Securities.

Contribution to the SDGs

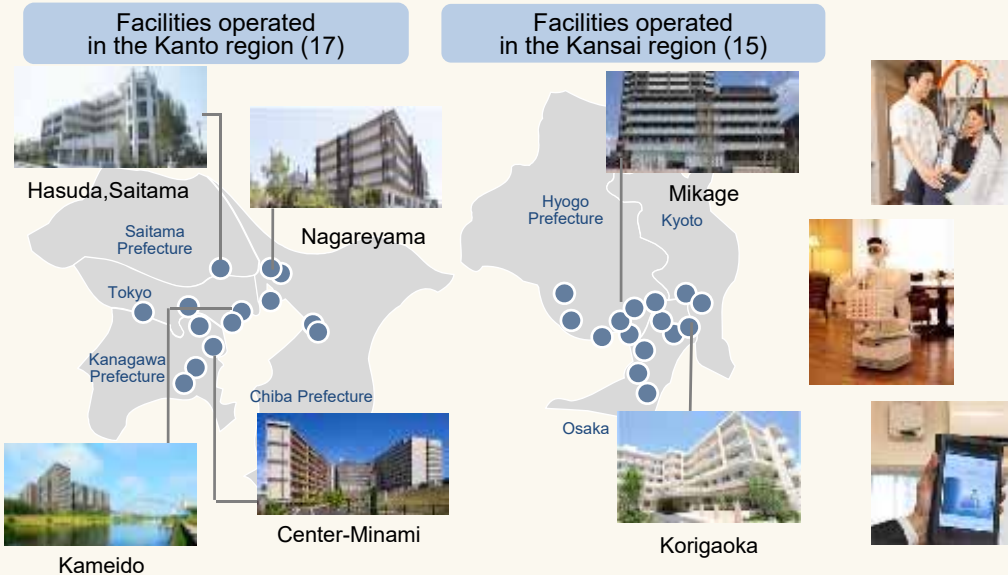
Contribute to "health & longevity," a priority issue for Japan

Existing business portfolio

Strengthening the real estate asset management business

Further expansion of AUM

Expansion & diversification of the real estate asset management business portfolio





Section 4

Financial Status



Status of Interest-Bearing Liabilities (as of April 30, 2019)

Status of Interest-Bearing Liabilities (as of October 31, 2018)

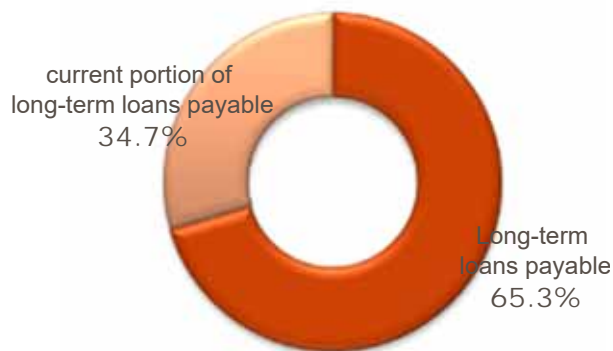
Term	Lender	Balance (million yen)	Interest	Interest	Drawdown	Repayment deadline
Current Portion of Long-term	Resona Bank (**)	1,200	Fixed	0.532%	November 5, 2014	October 31, 2019
	Mizuho Bank (**)	1,000		0.532%		
	Mizuho Trust & Banking (**)	700		0.532%		
	Sumitomo Mitsui Trust Bank (**)	500		0.138%		
Long-term	Mizuho Bank (**)	500	Fixed	0.524%	June 1, 2015	May 29, 2020
	Mizuho Trust & Banking (**)	500		0.524%		
	The Musashino Bank (**)	500		0.524%		
	Resona Bank (**)	500		0.474%	October 15, 2015	October 30, 2020
	Mizuho Bank (**)	800		0.402%	October 31, 2017	October 31, 2022
	Shinkin Central Bank (**)	500		0.265%		October 30, 2020
	The Musashino Bank (**)	500		0.365%		April 28, 2022
	Shinsei Bank (**)	500		0.467%	September 28, 2018	September 29, 2023
	Sumitomo Mitsui Trust Bank (**)	1,200		0.390%	October 31, 2018	October 31, 2022
	Shinkin Central Bank (**)	400		0.390%		
	Shinsei Bank (**)	300		0.467%		
	The Dai-ichi Life Insurance	200		0.480%		September 29, 2023
						October 31, 2023
Total		9,800	-	-	-	-

LTV^(Note)
46.6%

Average remaining period^(Note)
2.0 years

(Note) LTV and average remaining period indicate figures calculated as of April 30, 2019, rounded to the first decimal place. LTV is calculated based on total assets.

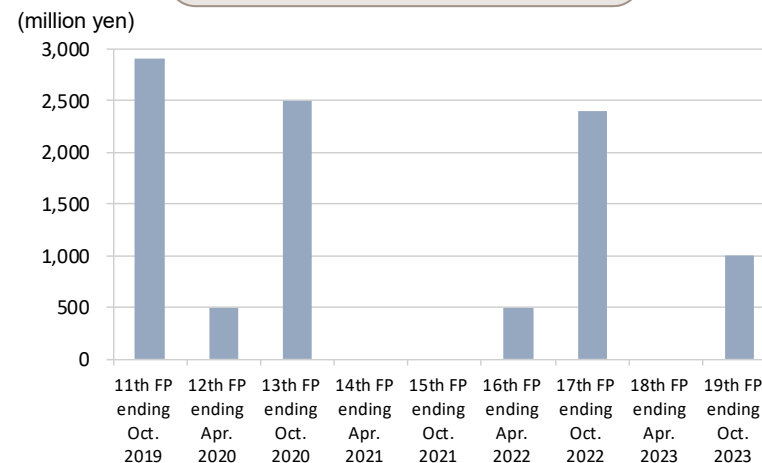
Ratio of Long-Term Loans Payable and Short-Term Loans Payable



Ratio of Fixed Rates and Floating Rates



Repayment Schedule



(*) Interest rates are rounded to the third decimal place.

(**) For loans of which floating interest rates have been converted to, in effect, fixed rates through a swap agreement, interest rate indicates the rate after such conversion.



Overview of the Unitholder Benefits Program

With the cooperation of operators who are the tenants, the unitholder benefits program will be offered to unitholders as of the end of fiscal period ended April 2019.



- Discount coupon for the initial lump sum payment (200,000 yen discount from the initial lump sum payment, or in the case of the plan of 0 yen initial lump sum payment, discount the amount equivalent to the monthly rent)
- Free voucher for an overnight trial stay (with meals)



- <For the contract of lump sum payment plan>
- Discount from the initial lump sum payment (200,000 yen or 3% discount from the initial lump sum payment, whichever is the greater)
- <For the contract of monthly payment plan>
- From the monthly payment, persistent discount of 3% of the amount equivalent to the monthly rent (until the end of the contract term)
 - Free one-day facility tour (with lunch provided)



- 10% discount coupon for the first monthly payment
- Free voucher for an overnight trial stay (with meals)
- Free voucher for a one-day facility tour (with lunch provided)



<COCO Juku>

- Free enrollment

<New York University-Professional Department of American Language Institute Tokyo school>

- Free enrollment and discount from tuition

<Nichii Life>

- Discount voucher for house keeping, childcare and long-term care service



- Free voucher for an overnight trial stay (with meals)
- Free voucher for a one-day facility tour (with lunch provided)



- Free voucher for an overnight trial stay (with meals)



- Discount on occupancy expenses (discount of 2 month's rent of the facility upon moving in)



- Discount coupon for the initial lump sum payment (5% discount)
- Free voucher for an overnight trial stay (with meals)
- Free voucher for a facility tour (with lunch provided)



- Furniture presented to the new resident for the below "Facilities Available" (chosen from the catalog Anabuki Medical Care provides) (worth 50,000 yen excluding tax, in excess of 50,000 yen the difference shall be paid by the resident, can also choose two or more pieces of furniture if it is within 50,000 yen)



- Free voucher for an overnight trial stay (with meals) one-time-only
- Free voucher for a facility tour (with lunch provided) one-time-only
- 50,000 yen cash back for the monthly payment for the new resident (one-time-only, need to stay more than three months after moving into the facility)



- Free voucher for a one-day facility tour (with lunch provided)
- Free Monthly Usage fee (Equivalent to two months rents)



Memorandum



Section 5

Initiatives for ESG



Efforts on ESG | Sustainable Development Goals (SDGs)

- The Asset Management Company of the Investment Corporation is making efforts to realize the philosophy of “Sustainable Development Goals (SDGs)” based on “Passion for SDGs 2018~ Daiwa Securities Group’s SDGs Declaration~” announced by Daiwa Securities Group Inc., the sponsor group.

Sustainable Development Goals (SDGs)

SDGs are international goals unanimously adopted at the UN Summit in September 2015.

It is composed of “17 goals, 169 targets and 232 indicators” effective until 2023 pledging that no one will be left behind to realize a society with diversity and inclusivity in sustainable development.

Following are the five characteristics.

Universality	All countries including developed countries shall act
Inclusivity	Ensuring that <u>no one will be left behind</u> by reflecting the philosophy of security
Participatory	All stakeholders shall play their roles
Integrity	Making <u>integrated efforts</u> on the society, economy and environment
Transparency	Conducting <u>regular follow-up</u>

Source: Website of Ministry of Foreign Affairs



Passion for SDGs 2018 Daiwa Securities Group’s SDGs Declaration

Daiwa Securities Group Inc. regards “SDGs (Sustainable Development Goals)” (*) adopted by the UN in 2015 as an important goal leading the world, and is making proactive efforts to realize an affluent society and enriched lives of citizens by achieving both the pursuit of economic value and the resolution of social issues through the Group’s business.

Creation of shared value

Creating both economic value and social value of corporations at the same time by making efforts to solve social issues with flexible ideas without being bounded by preconceived ideas as a comprehensive securities group providing a wide range of services satisfying the needs from various customers.

Partnership with stakeholders

Aiming to contribute to the resolution of a wide range of social issues through the partnership with each stakeholder by utilizing the characteristics of the Group which connects countries, companies, investors, etc.

Realization of various personnel training and work style

Making efforts to realize various personnel training and work style by promoting work-life balance and supporting the success of female and veteran employees as well as creating an environment where all employees regardless of gender and age are satisfied and able to maximally demonstrate their skills.

Improvement and spread of awareness

Intending to provide and spread an understanding on SDGs to all executives as well as contributing to the improvement of the awareness on SDGs of customers through the Group’s business as the leader in the financial and capital market.



Initiatives for ESG

- The Asset Management Company positions initiatives for ESG (Environment, Social, Governance) as important management issues.
- NHI contributes to “Health and welfare for all” within “Achievement of Good Health and Longevity,” which is a priority of Japan in the SDGs Implementation Guiding Principles set by the SDGs Promotion Headquarters.



ESG Policies (established March 2019)

- In managing assets, NHI has determined that emphasizing environment, social, and governance (ESG) contributes to improving corporate value in the medium to long term, and we focus our efforts on the following items.

1. Initiatives for Environmental Conservation (Environment)

Through measures that contribute to environmental conservation and installation of facilities and equipment, etc., we will proactively promote initiatives that lead to environmental conservation such as resource and energy conservation.

2. Connection with Society (Social)

Through IR activities, etc., we proactively disclose information and are accountable to all of our stakeholders. By providing high-quality, comfortable spaces, we fulfill our corporate social responsibility.

3. Corporate governance (Governance)

Adhering to laws and regulations and rules, we are aware of the importance of corporate ethics and compliance, and our decision-making is highly transparent and rational.

Environment



Energy-saving initiatives

Installation of solar panels



[Minna-no-ie Chuo-ku En'nami]

Annual reduction rate of electricity generation*
30.3%

* Actual figures from January to December, 2018

Installation of LED lighting



[Verger Hirakata]

Annual reduction ratio of electricity consumption through lighting equipment*
68.0%

* Forecast of manufacturer with installation of LED lighting

Replacement of air conditioners



[Charm Sweet Ryokuchi Koen]

Reduction ratio of electricity consumption
15.3%

* Forecast of manufacturer with air conditioning replacement

Social



Operator Opinion Exchange Meeting/Exchange with Local Communities

In January 2019, a meeting for operators to exchange opinions was held.

The Asset Management Company hosted a meeting between two operators to exchange opinions. This included a private viewing of Sawayaka Omiyakan and Minna-no-ie Omiya Tsutsujigaoka Park. Opinions were exchanged on facility operations and each companies' initiatives. These measures will continue to be conducted going forward.

*Participating operators: Sawayaka Club Co., Ltd. and Wisnet Co., Ltd.



In March 2019, participated in a private viewing of day service centers.

Established in October 2018. The Asset Management Company and PM companies participated in the private viewing. They experienced practical rehabilitation training and brain training programs. There also was interaction with care managers, local residents, facility staff, and residents.



Governance

Corporate Governance

- The Asset Management Company of NHI has established a governance system that gives top priority to compliance, and strives to prevent conflicts of interest, manage risks and comply with laws and regulations.

Compliance System

- The Asset Management Company not only adheres strictly to all laws and regulations, rules, internal regulations and market rules related to its business, but also focuses on conducting sincere and fair corporate activities while fully understanding social norms.



Appendix

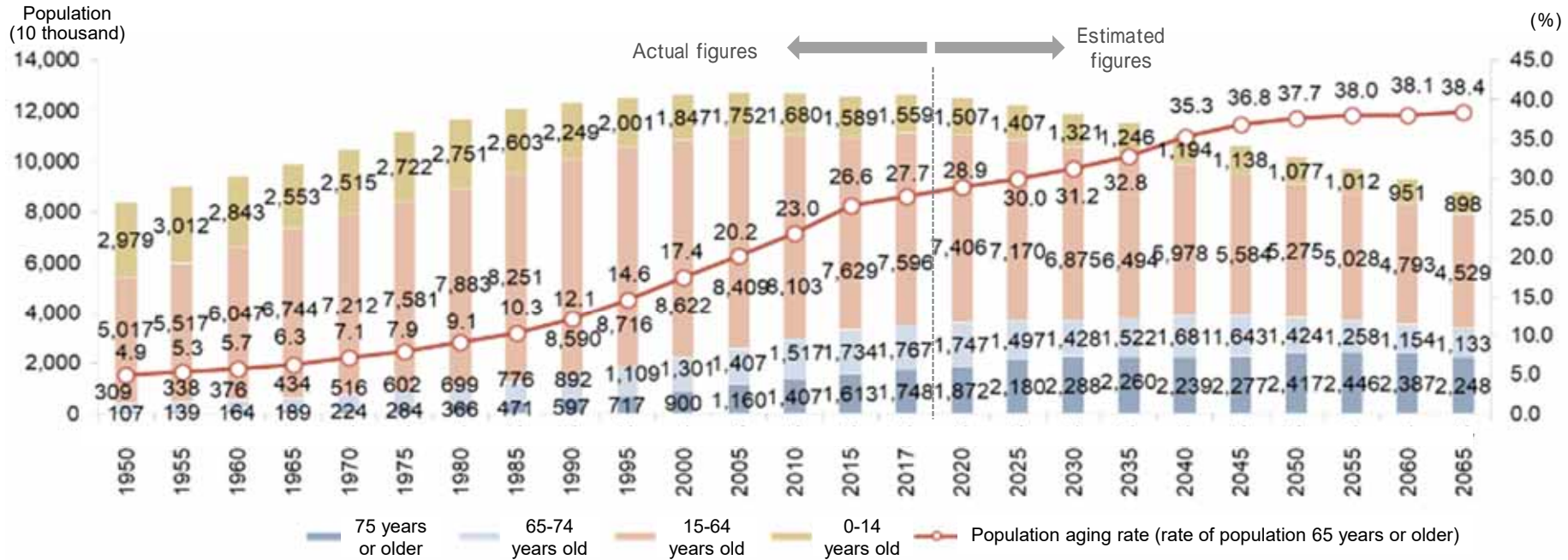


Memorandum

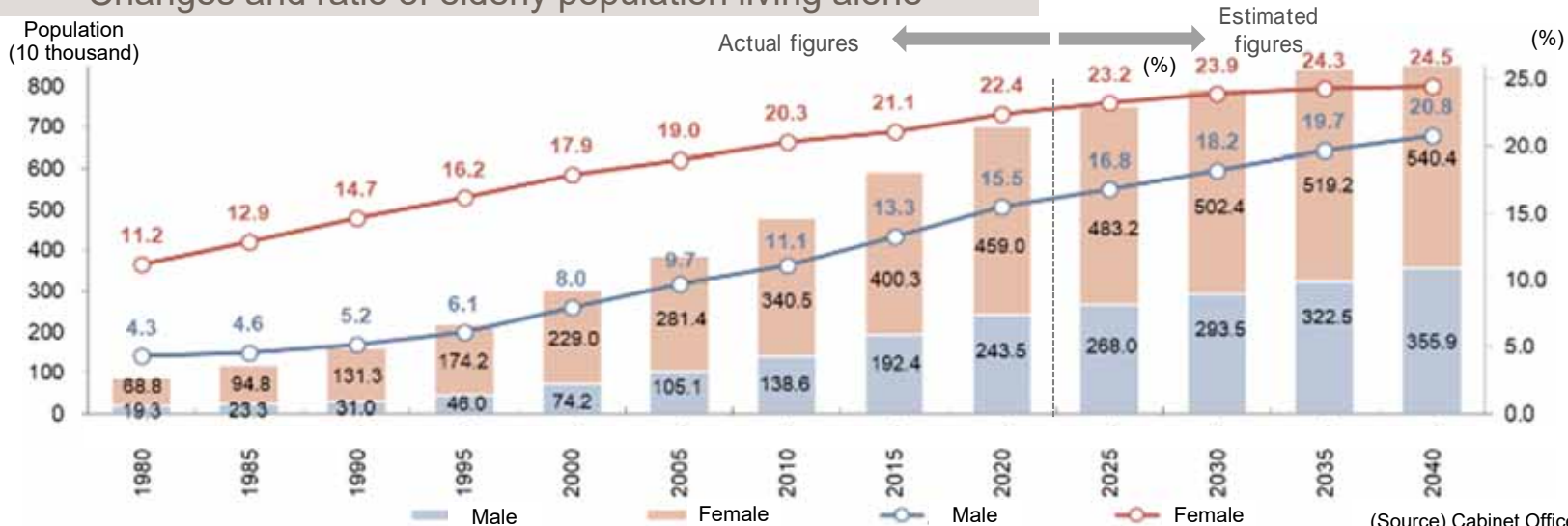


Surrounding Status of Healthcare Facilities : Progress of aging society

Domestic demographics by age



Changes and ratio of elderly population living alone



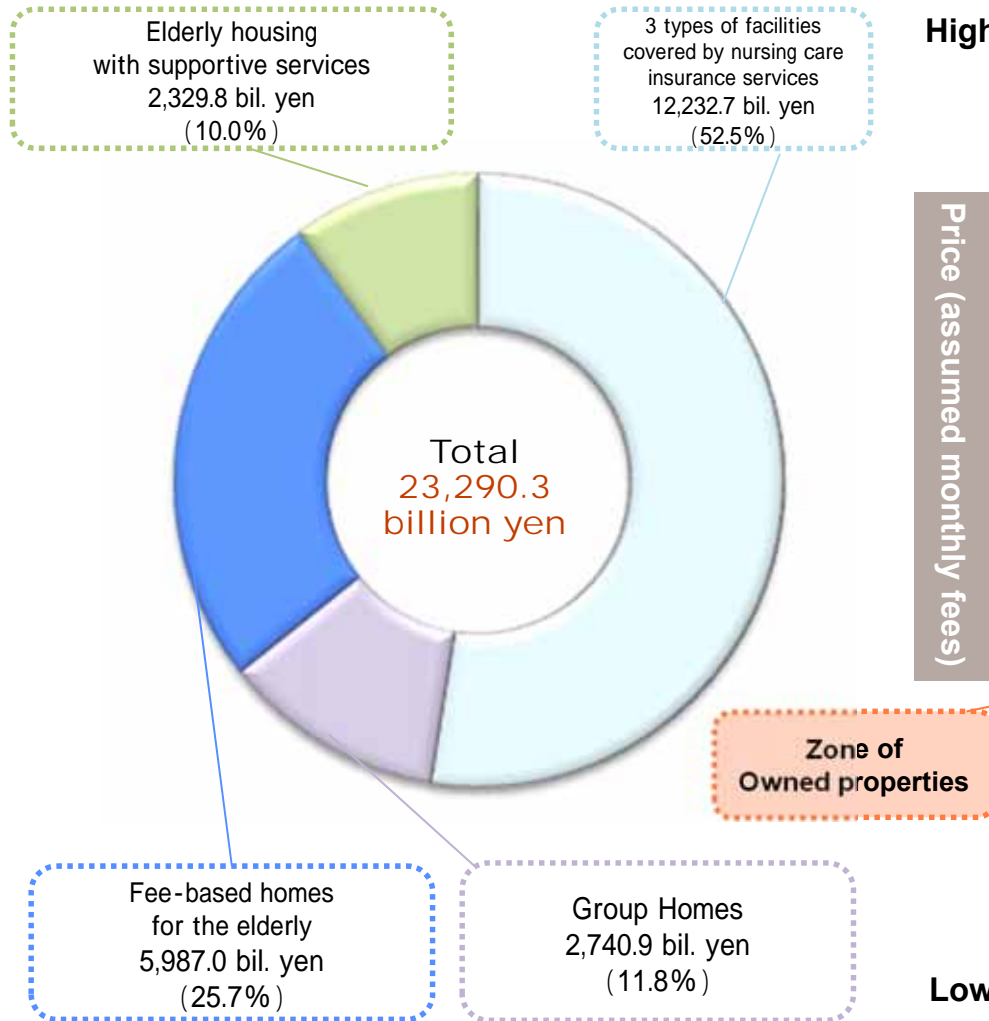
(Source) Cabinet Office "White Paper on Aging Society 2017"



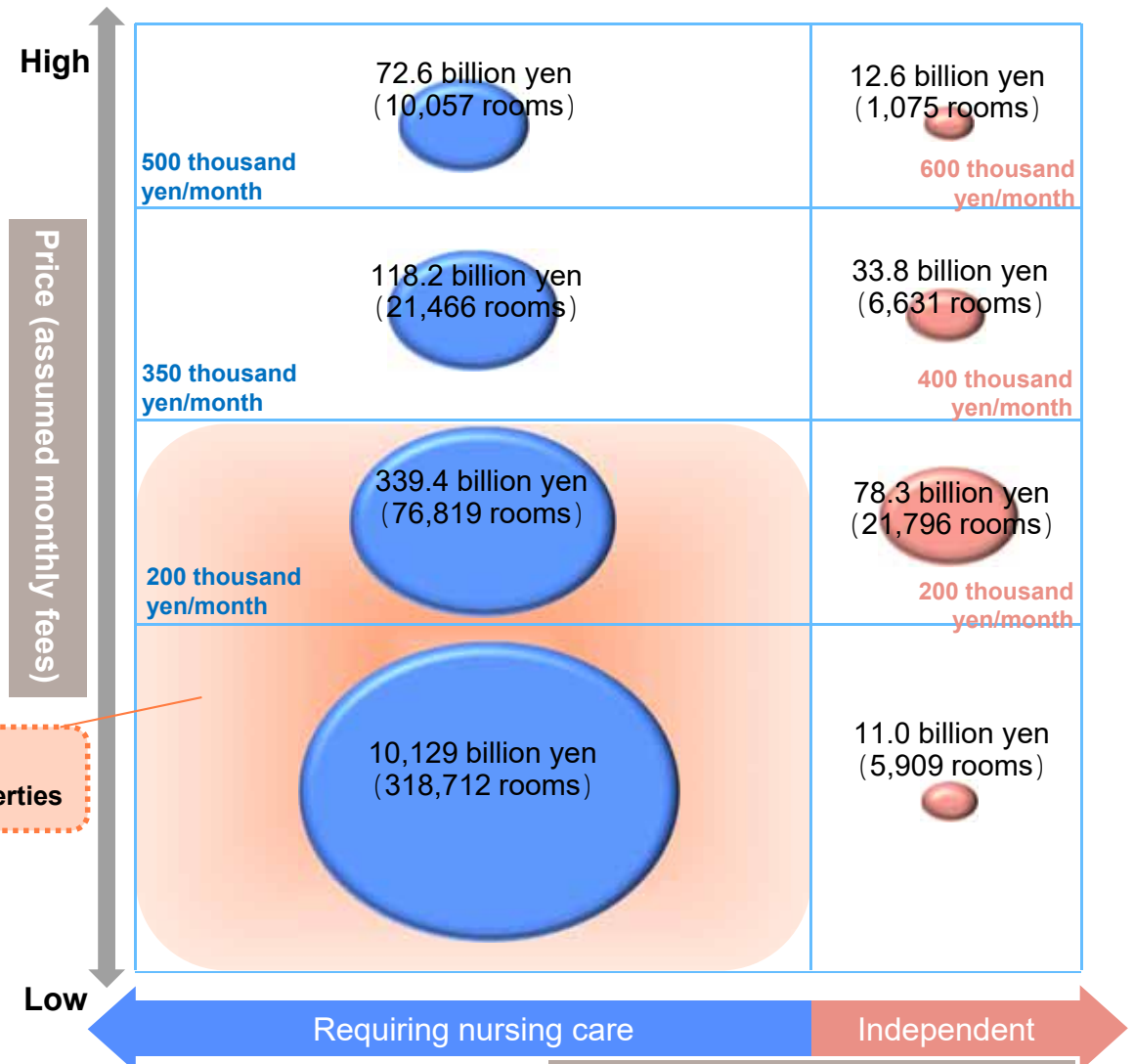
Market Size of Healthcare Facilities and Fee-based Homes for the Elderly (by price)

Market size of fee-based homes for the elderly and elderly housing with supportive services is 8 trillion yen, therefore there is much room for NHI to expand

Market size of healthcare facilities (as of Oct. 2017)



Market size by price (Fee-based homes for the elderly requiring nursing care/who are independent) (as of June 2016)



Source: KPMG Healthcare Japan Co., Ltd

Residents' physical condition



Initiatives for ESG (Social) (1)

Social contribution to solving important issues in Japan

- Provision of excellent properties operated by skillful operators that are carefully selected by NHI, where the elderly can live with peace of mind.

Careful selection of operators and monitoring after making investments

Operator evaluation items at the time of property acquisition

- Quality and variety of services that each operator provides
- Credibility and operational skills of the operator

Quantitative Perspective

- Stability, profitability, growth potential and productivity of the operator's finances
- Stability, profitability, growth potential of the operator's healthcare business
- The company's history and the number of years in business (The items are confirmed on the basis that such financial data, etc. be provided by the operator.)

Qualitative Perspective

- The operator's attitude towards information disclosure
- Degree of importance, etc. of healthcare-related business in the operator group
- Strength, securement of human resources, etc. at the healthcare facility
- Working environment and employment situation of facility workers
- Compliance system at the operator or at each facility (Documents provided by the operator, results of interviews and research by outside experts, etc. are used for confirming the items.)

Continuous facility management/monitoring system

- The Asset Management Company strives to enhance value of facilities by regularly collecting information on the operation from the operators and the facility directors in cooperation with PM companies, etc.
- The Asset Management Company visits facilities, etc. and conduct facility monitoring, interviews, etc. including the following

- ◆ Monitoring (Twice or more/year)
 - The Asset Management Company and PM companies visit operators' facilities and conduct examinations every fiscal period.
- ◆ Interviewing (Once or more/year)
 - Confirming the following items with directors and care providers at facilities:
 - (1) Responses to residents
 - (2) Employees training program
 - (3) Status of governance (including items to check for prevention of resident mistreatment)

< Facility monitoring >

• Nichii Care Center
Fukushima Omori (Apr. 2019)



• Sawayaka Heart Life
Nishikyogoku (Apr. 2019)



• Super Court JR
Nara-Ekimae (Apr. 2019)



• Irise Komae Bettei
(Apr. 2019)



Provision of excellent healthcare facilities operated by skillful operators



History of Revisions to Nursing Care Fees

Time of revision	Main points of revision	Rate of revision
FY 2005 revision (Enforced in October 2005)	<ul style="list-style-type: none"> ■ Securement of fairness between at-home care and facility services, etc. <ul style="list-style-type: none"> ➢ Review of nursing care fees related to living costs and meal costs 	
FY 2006 revision	<ul style="list-style-type: none"> ■ Promotion of encouraging self-support and at-home nursing care <ul style="list-style-type: none"> ➢ Promotion of nursing care prevention and rehabilitation <ul style="list-style-type: none"> · Changing prevention benefits provision from piecework payment to comprehension payment by month ➢ Reinforcement of support for those requiring medium- to high- levels of nursing care <ul style="list-style-type: none"> · Additional payment for home-visit long-term care and home-visit nursing care provided to those requiring high level of cares, etc. 	-0.5% [-2.4%] [At-home: -0.1%] [-1.0%] [Facility: ± 0.0%] [-4.0%] []: Rate of revision including revision in FY2005
FY 2009 revision	<ul style="list-style-type: none"> ■ Improvement in working conditions of care providers <ul style="list-style-type: none"> ➢ Securement of care providers / improvement of working conditions of care providers <ul style="list-style-type: none"> · Additional payment in accordance with care providers' expertise, career, etc. 	+3.0% [At-home: + 1.7%] [Facility: + 1.3%]
FY 2012 revision	<ul style="list-style-type: none"> ■ Securement of improved working conditions for care staff and promotion of community comprehensive care <ul style="list-style-type: none"> ➢ Foundation of additional payment for improving working conditions ➢ Establishment of new services such as around-the-clock periodical door-to-door service 	+1.2% [At-home: + 1.0%] [Facility: + 0.2%]
FY 2014 revision	<ul style="list-style-type: none"> ■ Response to increased burden due to the consumption tax hike 	+ 0.63%
FY 2015 revision	<ul style="list-style-type: none"> ■ Initiatives for building a “community comprehensive care system” <ul style="list-style-type: none"> ➢ Further reinforcement of care for those requiring medium- to high- levels of nursing care and those with dementia ➢ Promotion of securing care staff ➢ Enhancement of appropriateness of service assessment and establishment of efficient system for providing services 	-2.27% [At-home: -1.42%] [Facility: -0.85%]
FY 2017 revision	<ul style="list-style-type: none"> ■ Improvement in working conditions of care providers <ul style="list-style-type: none"> ➢ Established a new system to raise salary in accordance with care provider experience or qualifications and raised monthly salary by 10,000 yen-worth on average. 	+ 1.14% [At-home: + 0.72%] [Facility: + 0.42%]
FY 2018 revision	<ul style="list-style-type: none"> ■ Promotion of establishing a system to provide high-quality and efficient long-term care service <ul style="list-style-type: none"> ➢ Promotion of community comprehensive care system ➢ Realization of high-quality long-term care service contributing to self-reliance and prevention of deterioration in condition ➢ Securement of diversified personnel and improvement of productivity ➢ Securement of stability and sustainability of the system through enhancement of appropriateness and focus in long-term care service 	+0.54%



Introduction of Operators (1)



Company name	Nichii Gakkan Company
Head office	2-9 Kanda-Surugadai, Chiyoda-ku, Tokyo
Representative director	Chairman, President and CEO, Nobusuke Mori
Established	August 2, 1973
Capital	11,933 million yen
Attributes (listed market)	Listed company (First Section of the Tokyo Stock Exchange, Securities code: 9792)
Principal businesses	Medical Support Business, Nursing Care and Health Care Business, Education Business and Child-care Business



Nichii Care Center Fukushima Omori



Company name	Sompo Care Next Inc.
Head office	4-12-8 Higashi Shinagawa, Shinagawa-ku, Tokyo
Representative director	Representative director, Ken Endo
Established	May 1, 1997
Capital	3,925 million yen
Attributes (listed market)	Consolidated subsidiary of Sompo Holdings, Inc. (First Section of the Tokyo Stock Exchange, Securities code: 8630)
Principal businesses	Operation of fee-based homes for the elderly, elderly housing with supportive services and group homes; Home-visit care (home assistance) service business
Parent company	Sompo Holdings, Inc.



Sompo Care LAVIERE
Kinugasayama Koen



Sompo Care LAVIERE
Hiroshima Hikarigaoka



Sompo Care LAVIERE
Sagamiyama Chuo



Sompo no ie
Nishitanabeekimae

(Note) The capital of Sompo Care Inc. is as of June 19, 2018.



Company name	Sawayaka Club Co., Ltd.
Head office	2-10-10 Kumamoto, Kokura-kita-ku, Kitakyushu-shi, Fukuoka
Representative director	Representative director, Fumiharu Uchiyama
Established	December 1, 2004
Capital	200 million yen
Attributes (listed market)	Consolidated subsidiary of Uchiyama Holdings Co., Ltd. (First Section of the Tokyo Stock Exchange, Securities code: 6059)
Principal businesses	Operation of fee-based homes for the elderly, elderly housing with supportive services, group homes, short-stay facilities, helper stations, care plan centers, nursing care day service centers and multifunctional nursing care in a small group home setting
Parent company	Uchiyama Holdings Co., Ltd.



Sawayaka Hinodekan



Sawayaka Obatake Sanbankan



Sawayaka Meisuikan



Sawayaka Kaikyokan



Company name	Cedar Co., Ltd.
Head office	1-7-19 Obatake, Kokura-kita-ku, Kitakyushu-shi, Fukuoka
Representative director	Representative director, Takayasu Zakoda
Established	April 25, 1981
Capital	432 million yen
Attributes (listed market)	Listed company (JASDAQ of the Tokyo Stock Exchange, Securities code: 2435)
Principal businesses	Operation of fee-based homes for the elderly, elderly housing with supportive services, group homes, short-stay facilities, helper stations, care plan centers, nursing care day service centers and multifunctional nursing care in a small group home setting



La'nassica Arakogawa

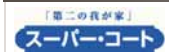
Introduction of Operators (2)



Company name	Charm Care Corporation
Head office	3-6-32 Nakanoshima, Kita-ku, Osaka-shi, Osaka
Representative director	Representative director, Takahiko Shimomura
Established	August 22, 1984
Capital	192 million yen
Attributes (listed market)	Listed company (JASDAQ of the Tokyo Stock Exchange, Securities code: 6062)
Principal businesses	Operation of fee-based nursing homes for the elderly with care and fee-based assisted-living homes for the elderly



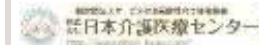
Charm Sweet Ryokuchi Koen



Company name	Super Court Co., Ltd.
Head office	1-7-7 Nishihonmachi, Nishi-ku, Osaka-shi, Osaka
Representative director	Representative director, Akiyoshi Yamamoto
Established	May 19, 1995
Capital	50 million yen
Attributes (listed market)	Unlisted company
Principal businesses	Operation/management of fee-based homes for the elderly and housing for the elderly, operation/management of buildings and condominiums, planning/design/construction of rental apartments, a nursing care worker nurturing and training business, etc.
Parent company	Super Holdings Co., Ltd.



Super Court JR Nara-Ekimae



Company name	Nihon Kaigo Iryo Center Co., Ltd.
Head office	2-4-1 Hannancho, Abeno-ku, Osaka-shi, Osaka
Representative director	Representative director, Yusuke Taniguchi
Established	October 7, 1997
Capital	50 million yen
Attributes (listed market)	Unlisted company
Principal businesses	In-home nursing care support business, home-visit nursing care business, operation of rental housing for the elderly, selling and rental of equipment covered by public aid, care worker training business, real estate business



Verger Hirakata



Company name	Wisnet Co., Ltd.
Head office	2-795 Mihashi, Omiya-ku, Saitama-shi, Saitama
Representative director	Representative director, Yuuichi Miyazawa
Established	January 1998
Capital	390 million yen
Attributes (listed market)	Consolidated subsidiary of Sohgo Security Service CO., LTD., (First Section of the Tokyo Stock Exchange, Securities code: 2331)
Principal business	Operation and management of group home for dementia, fee-based homes for the elderly with nursing care, elderly housing with supportive services, helper station, day service center, small scale multi-function home care, home care support office, visiting nursing station



Minna-no-ie Omiya Tsutsujigaoka Park



Minna-no-ie Chuo-ku En'nami



Introduction of Operators (3)



Company name	Silver Heights Sapporo Co., Ltd.
Head office	3-41, Fukuzumisanjou, Toyohira-ku, Sapporo-shi, Hokkaido
Representative director	Representative director, Hirofumi Kaneko
Established	December 1961
Capital	50 million yen
Attributes (listed market)	Unlisted company
Principal businesses	Operation of fee-based homes for the elderly, homecare service specified in the Long-Term Care Insurance Act, homecare support specified in the Long-Term Care Insurance Act, purchase/sales, arrangement, lease and management of real estate, etc.



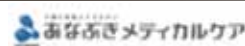
Silver Heights Hitsujioka No.3



Company name	HITOWA Care Services Co., Ltd.
Head office	1-4-5 Roppongi, Minato-ku, Tokyo
Representative director	Representative director, Yoshiteru Hakamada
Established	November 1, 2006
Capital	100 million yen
Attributes (listed market)	Unlisted
Principal businesses	Operations of fee-based homes for the elderly and elderly housing with supportive services under the brand of "Irise"; and operations of group homes business and day services business across Japan centering on the Kanto region.
Parent company	HITOWA Holdings Inc.



Irise Komae Bettei



Company name	Anabuki Medical Care Inc.
Head office	2-8, Togyamachi, Takamatsu, Kagawa
Representative director	Representative director, Yoshihisa Otani
Established	June 2009
Capital	80 million yen
Attributes (listed market)	Consolidated subsidiary of Anabuki Kosan Inc. (First Section of the Tokyo Stock Exchange, Securities code: 8928)
Principal businesses	Nursing care-related business (nursing care business, operation of fee-based homes for the elderly, etc.), real estate management, advertising, etc.



Alpha Living Okayama Nishigawa Ryokudokoen



Alpha Living Okayama Korakuen



Alpha Living Takamatsu Ekimae



Alpha Living Takamatsu Hyakkenmachi



Ranking of Operators Based on the Number of Rooms

Ranking (Note 1)	Company name	Fee-based homes for the elderly with nursing care		Residential-type fee-based homes for the elderly		Other housing for the elderly		Total (Note 2)	
		Number of facilities	Number of rooms	Number of facilities	Number of rooms	Number of facilities	Number of rooms	Number of facilities	Number of rooms
1	Sompo Care Inc.	275	17,271	3	91	132	7,649	431	25,487
2	Company A	251	13,338	60	3,564	2	109	316	17,061
3	Nichiigakkan Co., Ltd.	140	8,529	2	100	6	238	427	13,867
4	Company B	128	8,089	43	2,705	1	51	172	10,845
5	Company C	79	6,461	33	3,047	0	0	113	9,520
6	Company D	18	1,180	11	269	16	430	181	7,955
7	HITOWA Care Service Co., Ltd.	47	2,775	52	3,276	8	554	112	6,686
8	Company E	21	1,864	16	1,230	2	163	85	6,100
9	Company F	9	630	1	26	0	0	288	5,982
10	Company G	78	4,787	7	490	5	253	102	5,909
11	Company H	8	227	7	179	98	5,341	116	5,792
12	Company I	29	1,452	3	106	107	3,617	139	5,175
13	Company J	13	3,747	4	1,164	0	0	17	4,911
14	UCHIYAMA HOLDINGS Co., Ltd.	53	3,703	15	921	0	0	81	4,838
15	Company K	50	3,525	8	467	5	273	68	4,373
16	ALSOK Group	46	2,165	4	148	6	215	139	4,183
17	Company L	38	1,759	6	122	8	293	159	4,132
18	Company M	0	0	0	0	128	3,998	128	3,998
19	Company N	27	2,118	0	0	16	1,141	81	3,970
20	Company O	3	290	0	0	1	20	21	3,510
21	Company P	36	2,082	0	0	0	0	106	3,414
22	Charm Care Corporation	42	2,894	4	320	0	0	46	3,214
23	Company Q	8	369	16	366	3	118	87	3,148
24	Super Court Co., Ltd.	17	1,097	27	1,958	1	59	45	3,114
25	Company R	22	1,717	12	650	5	296	44	2,735
26	Company S	3	111	4	102	5	192	59	2,733
27	Company T	5	379	24	2,025	0	0	32	2,726
28	Cedar Co., Ltd.	41	2,370	0	0	0	0	44	2,415
29	Company U	21	1,792	0	0	6	494	28	2,313
30	Company V	40	2,060	1	20	4	186	45	2,266

(Note 1) The companies are ranked in descending order according to the number of rooms in the total column.

(Note 2) The total figures include group homes for the elderly with dementia and other facilities for the elderly operated by related companies.

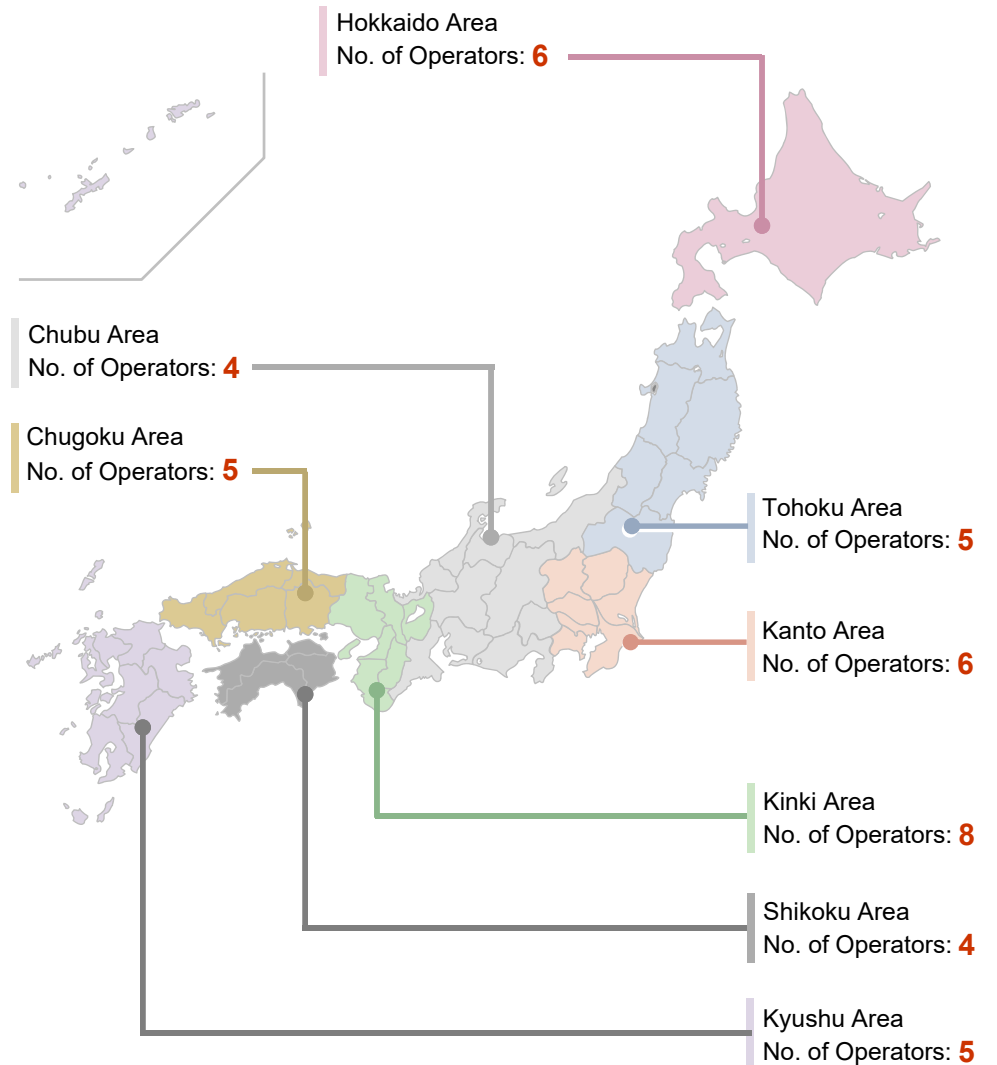
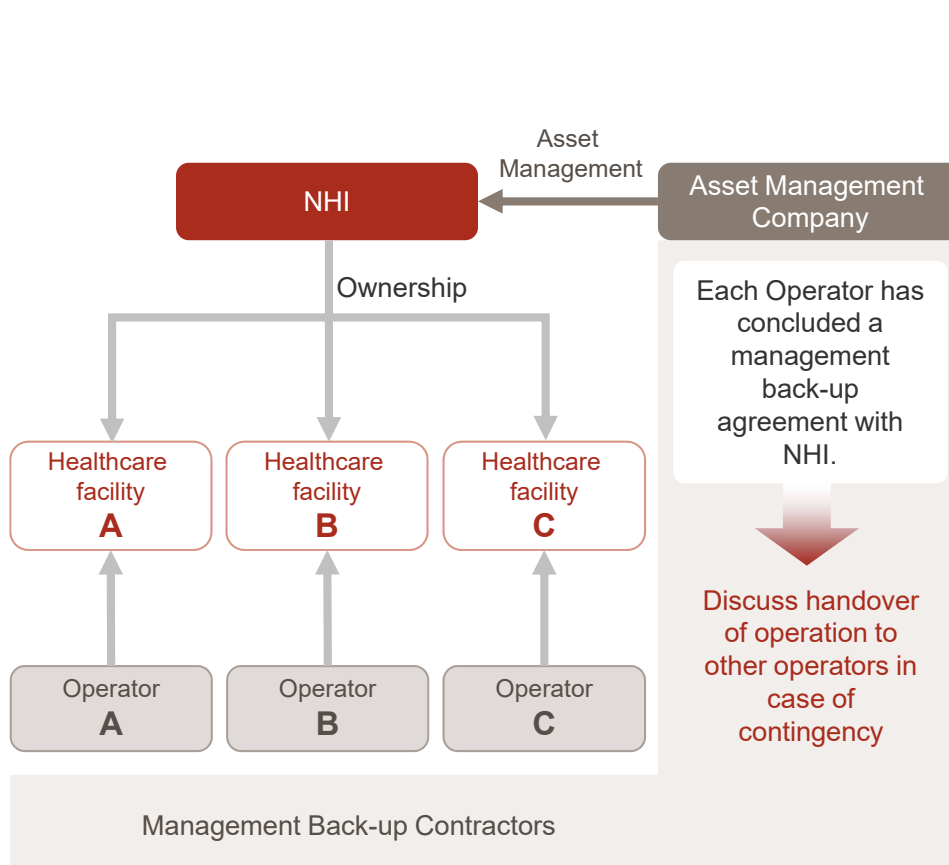
(Source) Shukan Koreisha Jutaku Shimbun (Weekly elderly housing newspaper)

(Note 3) UCHIYAMA HOLDINGS is a parent company of Sawayaka Club.

(Note 4) The ALSOK Group is the parent company of Wisnet, Co., Ltd.



Management Back-up Agreement





Appraisal Value at End of Fiscal Period (as of April 30, 2019)






Property name	Appraiser	End of 10th FP							End of 9th FP Appraisal value (million yen)	Difference (End of 10th FP - End of 9th FP) (Note 1) (million yen)
		Appraisal value (million yen)	Overview of appraisal report							
			Direct capitalization method		DCF method			Appraisal NOI (million yen)		
			Price (million yen)	Cap rate (%)	Price (million yen)	Discount rate (%)	Terminal cap rate (%)			
Nichii Care Center Fukushima Omori	Japan Real Estate Institute	339	342	5.7	336	5.5	5.9	22	341	-2
Sompo Care LAVIERE Hiroshima Hikarigaoka	Japan Real Estate Institute	1,220	1,230	5.2	1,200	5.0	5.4	70	1,230	-10
Sompo Care LAVIERE Sagamihara Chuo	Daiwa Real Estate Appraisal	1,790	1,810	4.7	1,780	4.5	4.9	88	1,780	10
Charm Sweet Ryokuchi Koen	Daiwa Real Estate Appraisal	3,030	3,070	4.6	3,010	4.4	4.8	143	3,060	-30
Sawayaka Kaikyokan	Japan Real Estate Institute	898	907	5.3	889	5.1	5.5	50	898	-
Sawayaka Meisuikan	Japan Real Estate Institute	812	819	5.3	805	5.1	5.5	47	813	-1
Sawayaka Heart Life Nishikyogoku	Daiwa Real Estate Appraisal	1,130	1,140	5.2	1,120	5.0	5.4	60	1,140	-10
Verger Hirakata	Daiwa Real Estate Appraisal	1,560	1,570	5.2	1,550	5.0	5.4	84	1,590	-30
Sompo Care LAVIERE Kinugasayama Koen	The Tanizawa Sogō Appraisal	2,090	2,120	4.7	2,080	4.8	4.9	100	2,060	30
La'hassica Arakogawa	The Tanizawa Sogō Appraisal	1,460	1,470	5.0	1,450	5.1	5.2	74	1,430	30
Sawayaka Hinodekan	Daiwa Real Estate Appraisal	921	932	5.0	916	4.8	5.2	47	920	1
Sawayaka Riverside Kurinoki	Daiwa Real Estate Appraisal	323	329	5.0	321	4.8	5.2	17	323	-
Sawayaka Obatake Sanbankan	Daiwa Real Estate Appraisal	355	360	5.1	353	4.9	5.3	18	355	-
Super Court JR Nara-Ekimae	The Tanizawa Sogō Appraisal	1,750	1,770	5.0	1,740	5.1	5.2	91	1,750	-
Minna-no-ie Omiya Tsutsujigaoka Park	The Tanizawa Sogō Appraisal	776	786	4.9	772	5.0	5.1	39	776	-
Minna-no-ie Chuo-ku En'nami	Japan Real Estate Institute	861	870	4.9	851	4.7	5.1	44	860	1
Silver Heights Hitsujigaoka No.3	Daiwa Real Estate Appraisal	1,340	1,350	4.9	1,330	4.7	5.1	70	1,340	-
Alpha Living Okayama Nishigawa Ryokudoko	Daiwa Real Estate Appraisal	788	802	4.5	782	4.3	4.7	37	787	1
Alpha Living Okayama Korakuen	Daiwa Real Estate Appraisal	659	671	4.7	654	4.5	4.9	32	658	1
Alpha Living Takamatsu Ekimae	Daiwa Real Estate Appraisal	641	652	4.6	636	4.4	4.8	30	641	-
Alpha Living Takamatsu Hyakkenmachi	Daiwa Real Estate Appraisal	627	634	4.7	624	4.5	4.9	31	626	1
Sompo no ie Nishitanabeekimae	The Tanizawa Sogō Appraisal	739	748	4.7	735	4.8	4.9	36	739	-
Irise Komae Bettei ^(Note2)	Japan Real Estate Institute	399	405	4.4	393	4.2	4.6	17	-	-
Total		24,508	24,787	-	24,327	-	-	1,260	24,117	-8

(Note1) Difference of appraisal value does not include properties acquired in the 10th FP.

(Note2) "Irise Komae Bettei" is equivalent to a quasi-ownership of 30%.



Portfolio List (1)

Property name	Nichii Care Center Fukushima Omori	Sompo Care LAVIERE Hiroshima Hikarigaoka	Sompo Care LAVIERE Sagamihara Chuo	Charm Sweet Ryokuchi Koen	Sawayaka Kaikyokan
					
Location (residential address)	21-3 Omori Ojibouchi, Fukushima-shi, Fukushima	2-40 Hikarigaoka, Higashi-ku, Hiroshima-shi, Hiroshima	3-6-3 Chuo, Chuo-ku, Sagamihara-shi, Kanagawa	3-2-21 Nishiizumigaoka, Toyonaka-shi, Osaka	1-11-13 Hama-machi, Wakamatsu-ku, Kitakyushu-shi, Fukuoka
Access	Approximately 2.2km from Fukushima Station on the JR Tohoku Main Line	Approximately 1.1km from Hiroshima Station on the JR Sanyo Main Line	Approximately 1.2km from Sagamihara Station on the JR Yokohama Line	Approximately 1.4km from Ryokuchi-koen Station on the Kita-Osaka Kyuko Railway Namboku Line	Approximately 1.1km from Wakamatsu Station on the JR Chikuhō Main Line
Acquisition price (million yen)	265	960	1,170	1,950	630
Real estate appraisal value (million yen) (Note 1)	339	1,220	1,790	3,030	898
NOI yield (%) (Note 2)	8.5	7.3	7.6	7.4	8.0
Depreciation (million yen) (Note 3)	5	11	10	17	7
Structure / floors (Note 4)	S/3F	RC/7F	RC/5F	RC/B1・5F	RC/6F
Leasable area (m ²)	1,964.68	4,133.82	3,732.95	5,329.73	2,694.42
Total leased area (m ²)	1,964.68	4,133.82	3,732.95	5,329.73	2,694.42
Construction completion	March 2007	December 2005	March 2008	September 2006	October 2003
Number of rooms (rooms)	52	80	80	128	65
Occupancy rate (%) (Note 5)	100.0	93.7	96.2	98.4	100.0
Operator	Nichii Gakkan Company	Sompo Care Inc.	Sompo Care Inc.	Charm Care Corporation	Sawayaka Club Co., Ltd.
Remaining lease contract period (year) (Note 6)	14.9	14.9	14.9	19.3	14.9

(Note 1) Appraisal values are as of April 30, 2019.

(Note 2) NOI yields are calculated by dividing the appraisal NOI by the acquisition price.

(Note 3) Figures for depreciation are actual figures of the 10th FP ended in April 30, 2019.




(Note 4) For description of structure, "S" refers to steel-framed structure and "RC" refers to reinforced concrete structure.

(Note 5) Occupancy rates are obtained by dividing the number of residents indicated in the written explanation of important matter by the number of rooms, rounded to one decimal place.

(Note 6) Remaining lease contract periods are as of April 30, 2019.



Portfolio List (2)

Property name	Sawayaka Meisuiikan	Sawayaka Heart Life Nishikyogoku	Verger Hirakata	Sompo Care LAVIERE Kinugasayama Koen	La'nassica Arakogawa	Sawayaka Hinodekan
						
Location (residential address)	5-7-6 Higashinarumizu, Yahatanishi-ku, Kitakyushu-shi, Fukuoka	8 Tsutsumishita-cho, Nishikyogoku, Ukyo-ku, Kyoto-shi, Kyoto	2-20-4 Koyamichi, Hirakata-shi, Osaka	4-8-15 Koyabe, Yokosuka-shi, Kanagawa	4-34-1 Takagi-cho, Minato-ku, Nagoya-shi, Aichi	2-2-33 Hinode, Chuo-ku, Niigata-shi, Niigata
Access	Approximately 2km from Kurosaki Station on the JR Kagoshima Main Line	Approximately 1.2km from Nishikyogoku Station on the Hankyu Kyoto Line	Approximately 3.5km from Kuzuha Station on the Keihan Main Line	Approximately 1.2km from Kinugasa Station on the JR Yokosuka Line	Approximately 1.4km from Arakogawa-koen Station on the Nagoya Rinkai-kosoku Railway Aonami Line	Approximately 1.7km from Niigata Station on the JR Joetsu Shinkansen and Shinetsu Main Line
Acquisition price (million yen)	590	750	950	1,839	1,279	773
Real estate appraisal value (million yen) (Note 1)	812	1,130	1,560	2,090	1,460	921
NOI yield (%) (Note 2)	8.1	8.1	8.9	5.5	5.8	6.2
Depreciation (million yen) (Note 3)	7	6	10	16	17	8
Structure / floors (Note 4)	RC/B1・6F	RC/6F	RC/5F	RC/B1・5F	S/4F	S/3F
Leasable area (m ²)	4,553.67	2,459.19	2,925.25	4,265.88	3,590.40	2,674.37
Total leased area (m ²)	4,553.67	2,459.19	2,925.25	4,265.88	3,590.40	2,674.37
Construction completion	March 2005	August 2007	February 2007	March 2011	April 2008	July 2007
Number of rooms (rooms)	87	84	104	104	100	50
Occupancy rate (%) (Note 5)	96.5	98.8	78.5	86.5	96.0	96.0
Operator	Sawayaka Club Co., Ltd.	Sawayaka Club Co., Ltd.	Nihon Kaigo Iryo Center Co., Ltd.	Sompo Next Inc.	Cedar Co., Ltd.	Sawayaka Club Co., Ltd.
Remaining lease contract period (year) (Note 6)	14.9	14.9	14.9	15.4	8.9	15.6

(Note 1) Appraisal values are as of April 30, 2019.

(Note 2) NOI yields are calculated by dividing the appraisal NOI by the acquisition price.

(Note 3) Figures for depreciation are actual figures of the 10th FP ended in April 30, 2019.







(Note 4) For description of structure, "S" refers to steel-framed structure and "RC" refers to reinforced concrete structure.

(Note 5) Occupancy rates are obtained by dividing the number of residents indicated in the written explanation of important matter by the number of rooms, rounded to one decimal place.

(Note 6) Remaining lease contract periods are as of April 30, 2019.



Portfolio List (3)

Property name	Sawayaka Riverside Kurinoki	Sawayaka Obatake Sanbankan	Super Court JR Nara-Ekimae	Minna-no-ie Omiya Tsutsujigaoka Park	Minna-no-ie Chuo-ku En'nami	Silver Heights Hitsujigaoka No.3
						
Location (residential address)	2-2-43 Hinode, Chuo-ku, Niigata-shi, Niigata	1-6-37 Obatake, Kokurakita-ku, Kitakyushu-shi, Fukuoka	1-5-35 Omiyacho, Nara-shi, Nara	2-214-3 Yoshinocho, Kita-ku, Saitama-shi, Saitama	5-5-17 En'nami, Chuo-ku, Saitama-shi, Saitama	15-4-38, Tsukisamu Higashi Shijo, Toyohira-ku, Sapporo-shi, Hokkaido
Access	Approximately 1.65km from Niigata Station on the JR Joetsu Shinkansen and Shinetsu Main Line	Approximately 2.5km from Kokura Station on the JR Kagoshima Main Line	Approximately 280m from Nara Station on the JR Kansai Main Line	Approximately 2.5km from Miyahara Station on the JR Takasaki Line	Approximately 2.4km from Kitayono Station on the JR Saikyo Line	Approximately 1.2km from Nango Juhatchome Station on the Tozai Line of the Sapporo Municipal Subway
Acquisition price (million yen)	266	289	1,569	740	838	1,200
Real estate appraisal value (million yen) (Note 1)	323	355	1,750	777	860	1,340
NOI yield (%) (Note 2)	6.4	6.5	5.8	5.3	5.3	5.9
Depreciation (million yen) (Note 3)	3	4	17	7	9	8
Structure / floors (Note 4)	S/4F	S/3F	RC/7F	RC/4F	RC/3F	RC/3F
Leasable area (m ²)	1,349.39	1,411.78	5,057.07	1,800.03	1,963.03	7,267.56
Total leased area (m ²)	1,349.39	1,411.78	5,057.07	1,800.03	1,963.03	7,267.56
Construction completion	October 2009	September 2011	June 2009	April 2012	February 2014	April 2003
Number of rooms (rooms)	33	50	155	33	51	109
Occupancy rate (%) (Note 5)	92.3	94.0	92.9	84.8	94.1	91.8
Operator	Sawayaka Club Co., Ltd.	Sawayaka Club Co., Ltd.	Super Court Co., Ltd.	Wisnet Co., Ltd.	Wisnet Co., Ltd.	Silver Heights Sapporo Co., Ltd.
Remaining lease contract period (year) (Note 6)	15.6	15.6	20.2	17.8	24.9	16.6

(Note 1) Appraisal values are as of April 30, 2019.

(Note 2) NOI yields are calculated by dividing the appraisal NOI by the acquisition price.

(Note 3) Figures for depreciation are actual figures of the 10th FP ended in April 30, 2019.







(Note 4) For description of structure, "S" refers to steel-framed structure and "RC" refers to reinforced concrete structure.

(Note 5) Occupancy rates are obtained by dividing the number of residents indicated in the written explanation of important matter by the number of rooms, rounded to one decimal place.

(Note 6) Remaining lease contract periods are as of April 30, 2019.



Portfolio List (4)

Property name	Alpha Living Okayama Nishigawa Ryokudokoen	Alpha Living Okayama Korakuen	Alpha Living Takamatsu Ekimae	Alpha Living Takamatsu Hyakkenmachi	Sompo no ie Nishitanabeekimae	Irise Komae Bettei
						
Location (residential address)	6-2 Chuo-cho, Kita-ku, Okayama-shi, Okayama	1-11-4, Hama, Naka-ku, Okayama-shi, Okayama	1-6, Nishiuchi-machi, Takamatsu-shi, Kagawa	8-11, Hyakken-machi, Takamatsu-shi, Kagawa	1-1-21 Nishitanabe-cho, Abeno-ku, Osaka-shi, Osaka	1-32-5 Higashi-nogawa, Komae-city, Tokyo
Access	Approximately 1.5km from Okayama Station on the JR Sanyo Main Line	Approximately 1.9km from Okayama Station on the JR Sanyo Main Line	Approximately a five-minute walk from Takamatsu Station on the JR Yosan Line	Approximately 1.1km from Takamatsu Station on the JR Yosan Line	Approximately a two-minute walk from Nishitanabe Station on the Osaka Municipal Subway Midosuji Line.	Approximately 900 meters from Kitami Station on the Odakyu Odawara Line (approximately a 12-minute walk)
Acquisition price (million yen)	730	610	605	605	710	394.5
Real estate appraisal value (million yen) ^(Note 1)	788	659	641	627	739	399
NOI yield (%) ^(Note 2)	5.1	5.3	5.1	5.2	5.1	4.6
Depreciation (million yen) ^(Note 3)	7	4	6	6	5	1
Structure / floors ^(Note 4)	RC/7F	RC/4F	RC/6F	RC/10F	RC/9F	RC/3F
Leasable area (m ²) ^(Note 5)	2,124.16	2,128.44	1,848.06	1,929.16	2,095.79	605.01
Total leased area (m ²) ^(Note 5)	2,124.16	2,128.44	1,848.06	1,929.16	2,095.79	605.01
Construction completion	August 2014	May 1988	June 2014	June 2010	February 2007	January 2017
Number of rooms (rooms)	53	45	43	50	42	59
Occupancy rate (%) ^(Note 6)	78.1	93.7	86.3	85.1	100.0	98.3
Operator	Anabuki Medical Care Inc.	Anabuki Medical Care Inc.	Anabuki Medical Care Inc.	Anabuki Medical Care Inc.	Sompo Care Inc.	HITOWA Care Services Co., Ltd.
Remaining lease contract period (year) ^(Note 7)	16.2	16.2	16.2	16.2	7.9	27.8

(Note 1) Appraisal values is as of April 30, 2019. Appraisal values for "Irise Komae Bettei" is calculated for the 30% quasi-co-ownership interest.

(Note 2) NOI yields are calculated by dividing the appraisal NOI by the acquisition price.

(Note 3) Figures for depreciation are actual figures of the 9th FP ended in October 31, 2018.

(Note 4) For description of structure, "S" refers to steel-framed structure and "RC" refers to reinforced concrete structure.

(Note 5) The leasable area and total leased area in "Irise Komae Bettei" are those equivalent to 30/100 of the entire building.

(Note 6) "Irise Komae Bettei" lists the number of rooms in the whole facility.

(Note 7) Occupancy rates are obtained by dividing the number of residents indicated in the written explanation of important matter by the number of rooms, rounded to one decimal place.

(Note 8) A part of "Irise Komae Bettei" (quasi-co-ownership: 30%) is acquired on December 20, 2018, but the contract remaining period is calculated as of October 31, 2018. Other facilities are also as of October 31, 2018.



Status of Income (Loss) of Investment Real Estate Properties (as of April 30, 2019)

(Unit: thousand yen)

Property name	10th Fiscal Period (from November 1, 2018 to April 30, 2019)								
	Property-related operating revenue (Note 1)	Property-related operating expenses						NOI (Note 2)	
		Consignment expenses	Taxes and dues	Non-life insurance expenses	Repair expenses	Depreciation	Other		
Nichii Care Center Fukushima Omori	Not disclosed	8	0	1	0	0	5	1	11
Sompo Care LAVIERE Hiroshima Hikarigaoka		15	0	2	0	-	11	0	36
Sompo Care LAVIERE Sagamihara Chuo		28	0	2	0	15	10	0	29
Charm Suite Ryokuchi Koen		23	1	4	0	0	17	0	72
Sawayaka Kaikyokan		9	0	1	0	-	7	0	25
Sawayaka Meisuikan		11	0	2	0	0	7	0	24
Sawayaka Heart Life Nishikyogoku		9	0	1	0	-	6	0	30
Verger Hirakata		18	0	1	0	5	10	0	37
Sompo Care LAVIERE Kinugasayama Koen		21	0	3	0	0	16	0	50
La'nassica Arakogawa		20	0	2	0	-	17	0	37
Sawayaka Hinodekan		10	0	1	0	-	8	0	24
Sawayaka Riverside Kurinoki		4	0	0	0	-	3	0	8
Sawayaka Obatake Sanbankan		6	0	0	0	1	4	0	8
Super Court JR Nara-Ekimae		27	1	2	0	4	17	0	41
Minna-no-ie Omiya Tsutsujigaoka Park		10	0	1	0	0	7	0	19
Minna-no-ie Chuo-ku En'nami		13	0	2	0	-	9	0	22
Silver Heights Hitsujigaoka No.3		15	0	6	0	-	8	0	35
Alpha Living Okayama Nishigawa Ryokudokoen		9	0	1	0	-	7	0	18
Alpha Living Okayama Korakuen		8	0	1	0	2	4	0	14
Alpha Living Takamatsu Ekimae		7	0	1	0	-	6	0	15
Alpha Living Takamatsu Hyakkenmachi		8	0	1	0	-	6	0	15
Sompo no ie Nishitanabeekimae		7	0	1	0	0	5	0	18
Irise Komae Bettei		1	0	0	0	-	1	0	7
Total	705	298	13	49	1	30	202	1	608

(Note 1) "Property-related operating revenue" is not disclosed property by property because consent for disclosure has not been obtained from tenants.

(Note 2) NOI = Property-related operating revenue - Property-related operating expenses + Depreciation



Balance Sheets for 10th Fiscal Period Ended April 2019

	The 9th FP Actual		The 10th FP Actual	
	Amount (million yen)	Ratio	Amount (million yen)	Ratio
Current Assets	1,876	8.9%	1,601	7.6%
Cash and deposits	1,404		1,130	
Cash and deposits in trust	447		453	
Other current assets	24		17	
Fixed Assets	19,192	91.1%	19,418	92.4%
Tangible fixed assets	19,118	90.7%	19,349	92.1%
Buildings and others (including trust property)	11,168		11,115	
Land and others (including trust property)	7,949		8,233	
Other tangible fixed assets	1		1	
Intangible fixed assets	41	0.2%	41	0.2%
Leasehold rights and leasehold rights in trust	40		40	
Other intangible fixed assets	0		0	
Investments and other assets	32	0.2%	27	0.1%
Leasehold and security deposits paid in trust	10		10	
Long-term prepaid expenses	22		17	
Other assets	0		0	
Total Assets	21,068	100.0%	21,019	100.0%

	The 9th FP Actual		The 10th FP Actual	
	Amount (million yen)	Ratio	Amount (million yen)	Ratio
Current Liabilities	3,093	14.7%	3,575	17.0%
Operating account payables	31		21	
Current portion of long-term loans payable	2,900		3,400	
Accounts payable other	69		60	
Advances received	85		86	
Other current liabilities	6		6	
Fixed Liabilities	7,630	36.2%	7,150	34.0%
Long-term loans payable	6,900		6,400	
Tenant leasehold and security deposits	730		750	
Total Liabilities	10,723	50.9%	10,725	51.0%
Unitholders' equity (net)	10,101	47.9%	10,036	47.8%
Unitholders' equity	10,504		10,504	
Deduction from unitholders' equity	-402		-467	
Unappropriated retained earnings	243	1.2%	256	1.2%
Total Net Assets	10,344	49.1%	10,293	49.0%
Total Liabilities and Net Assets	21,068	100.0%	21,019	100.0%



Status of Unitholders as of the end of April 2019

Ownership ratio of investment units by category

Category of unitholders	Number of units at the end of 9th FP	Number of units at the end of 10th FP	Increase/decrease from the previous FP	Ratio at the end of 10th FP*
Individual/others	34,447	34,735	288	46.54%
Financial institutions	18,632	17,721	- 911	23.74%
Major city banks	-	-	-	0.00%
Regional banks	493	620	127	0.83%
Trust banks	15,204	13,997	- 1,207	18.75%
Life insurance companies	286	286	-	0.38%
Non-life insurance companies	-	-	-	0.00%
Other financial institutions	2,649	2,818	169	3.78%
Other domestic companies	12,228	12,265	37	16.43%
Foreigners	8,281	8,695	414	11.65%
Securities companies	1,044	1,216	172	1.63%
Total	74,632	74,632	-	100.00%

*Rounded to two decimal places.

Major unitholders (top 10)

No.	Name	Number of units held at the end of 9th FP	Increase/decrease from the previous FP	Number of units held at the end of 10th FP	Ratio at the end of 10th FP*
1	Daiwa Securities Group Inc.	7,600	-	7,600	10.18%
2	The Master Trust Bank of Japan, Ltd.(Investment Trust Account)	6,928	- 419	6,509	8.72%
3	Japan Trustee Services Bank Ltd.(Trust Investment Trust Account)	4,631	- 240	4,391	5.88%
4	SCB SG S/A SCB THAILAND AC FOR CMB-PRINCIPAL PROPERTY JP000294300545	1,702	1,299	3,001	4.02%
5	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2,291	- 108	2,183	2.93%
6	NOTHERN TRST CO.(AVFC) SUB AC USLNON-TRESTY	0	1,800	1,800	2.41%
7	Daiwa Real Estate Asset Management Co. Ltd.	1,000	-	1,000	1.34%
8	Fukui Medical Credit Association	945	-	945	1.27%
9	UENOYA BUILDING Co. Ltd.	903	37	940	1.26%
10	Trust & Custody Services Bank Ltd.(Trust Investment Trust Account)	1,033	- 134	899	1.20%
Total		27,033	2,235	29,268	39.22%

*Rounded to two decimal places.

IR Activities / Indices that include NHI

Held IR in regions of the country

Month / Year	Name of IR Event	Location
June 2018	Financial results briefing for institutional investors (8th FP)	Tokyo
July 2018	Briefing session on asset management for individual investors (8th FP)	Tokyo
July 2018	Seminar for individual investors (sponsored by a security company)	Tokyo
September 2018	J-REIT Fair for individual investors 2018 (cosponsored by ARES and TSE)	Tokyo
October 2018	Special seminar for healthcare facility operators	Sapporo
December 2018	Financial results briefing for institutional investors (9th FP)	Tokyo
January 2019	Briefing session on asset management for individual investors (9th FP)	Tokyo
February 2019	Seminar for individual investors (sponsored by a security company)	Nagoya
February 2019	TSE IR Festa 2019	Tokyo
March 2019	Special seminar for healthcare facility operators	Okayama

J-REIT Fair for individual investors 2018 (cosponsored by ARES and TSE)



Indices that include NHI

Month / Year	Name of index
September 2015	Thomson Reuters GPR / APREA Composite Index



IR Schedule

IR schedule

· Fiscal period ends: April and October · Securities code: 3308

	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Announcement of financial results			Announcement of financial results for fiscal period ended October			End of fiscal period
Payout of distributions			Commencement of payout of distributions for fiscal period ended October			
Asset management report			Sending of asset management report for fiscal period ended October			

	May	June	July	Aug.	Sept.	Oct.
Announcement of financial results			Announcement of financial results for fiscal period ended April			End of fiscal period
Payout of distributions			Commencement of payout of distributions for fiscal period ended April			
Asset management report			Sending of asset management report for fiscal period ended April			



Guide to Website (http://www.nippon-healthcare.co.jp/en/)

Provides details on real estate under management, IR mail delivery service, etc.

Nippon Healthcare Investment Corporation

Investment in healthcare facilities, the social infrastructure of an aging society

Hopeful future for Japan

Healthcare Facilities | Healthcare REIT | Portfolio | Unitholder Benefits | Introduction of Operators

Distributions Information	Latest Fund Data	Latest Financial Materials
<p>As of December 19, 2018</p> <p>Actual 9th fiscal period (ending Oct. 2018): 4,130 yen</p> <p>date to commence distribution payments: January 23, 2019</p> <p>Forecast 10th fiscal period (ending Apr. 2019): 4,230 yen</p> <p>Forecast 11th fiscal period (ending Oct. 2019): 4,230 yen</p> <p>(Note) Distributions include distributions in excess of earnings.</p>	<p>As of April 30, 2019</p> <p>Number of properties owned: 23 properties</p> <p>Total acquisition price: 19,713 million yen</p> <p>Occupancy rate: 100.0 %</p>	<p>As of January 22, 2019</p> <ul style="list-style-type: none"> Financial Results Summary (PDF:368KB) Financial Results Briefing Material (PDF:4.7MB) Asset Management Report (PDF:3.4MB) Speech Presentation

What's New

- June 13, 2019 **Release** Notice Concerning Changes in Affiliate Structure (116KB)
- May 31, 2019 **Update** Updated Performance Review (April 2019 Occupancy Rate)
- April 26, 2019 **Update** Updated Performance Review (March 2019 Occupancy Rate)
- April 1, 2019 **Release** Notice concerning Determination of the General Outline of the Unitholder Benefits Program (258KB)
- March 20, 2019 **Update** Updated Performance Review (February 2019 Occupancy Rate)
- March 20, 2019 **Release** Notice concerning Retirement of Director and Change of Auditor of the Asset Manager (50.9KB)
- March 20, 2019 **Release** Notice Concerning Changes in Organization and Key Personnel of the Asset Manager (234KB)

Stock Price Information: 2019.06.18 16:59 JET

Price: **172,500**

Change: **-1,800** Volume: **287**

Chart: **daily** | weekly | year

IR Mail Delivery Service

Securities code 3308

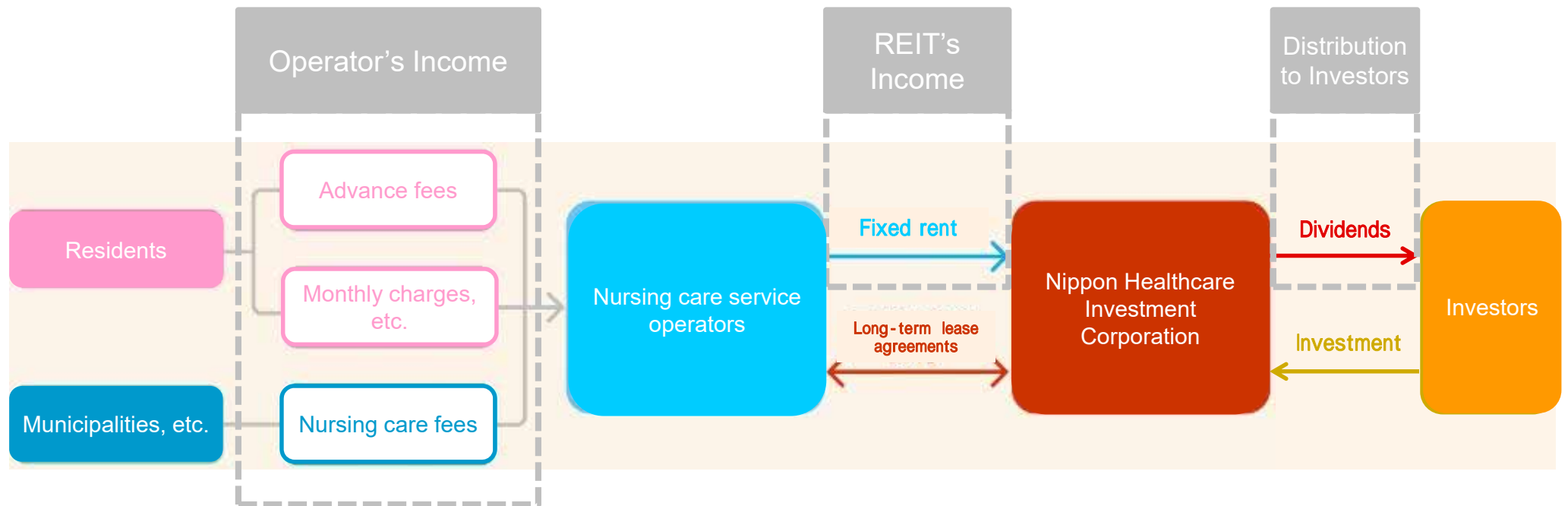
- What are healthcare facilities?
- What are healthcare REITs?
- Guide to portfolio
- Unitholder benefits
- Introduction of operators

■ IR mail delivery service registration form

Service delivering the latest news releases, occupancy rates, etc.



Framework of stable cash flow





Support and Independence

<Same boat investment in NHI by the Daiwa Securities Group Inc.>
 Holding 10.2% of NHI's investment units issued

< Pipeline support agreement >
 ● Provide information on real estate, etc.



<Conclusion of sponsor support agreement>
 ● Cooperation in securement of personnel
 ● Provision of information on properties, etc.

Investment Corporation

日本ヘルスケア投資法人
 Nippon Healthcare Investment Corporation

Operator

- Charm Care Corporation
- Super Court Co., Ltd.
- Sompo Care Inc.
- Sawayaka Club Co., Ltd.
- Nichiigakkan Company
- Cedar Co., Ltd.
- Nihon Kaigo Iryo Center Co., Ltd.
- Wisnet Co., Ltd.
- Silver Heights Sapporo Co., Ltd.
- Anabuki Medical Care Inc.
- HITOWA Care Services Co., Ltd.



Asset Management Company

大和リアル・エステート・アセット・マネジメント
 Daiwa Real Estate Asset Management

<Conclusion of advisory agreement>
 ● Provision of information on management/operation of healthcare facilities
 ● Provision of advisory work such as assisting and supporting negotiations with operators
 ● Provision of advice on market research/analysis concerning assets under investment target

<Invested 100% by Daiwa Securities Group Inc.>

Sponsor

大和証券グループ本社
 Daiwa Securities Group Inc.

Support

Advisor

AIP
 AIP Healthcare Japan



Overview of Asset Management Company (1)

Corporate Profile

As of June 1, 2019

Corporate name	Daiwa Real Estate Asset Management Co. Ltd.
Address	6-2-1 Ginza, Chuo-ku, Tokyo
Established	October 21, 2004
Paid-in capital	200 million yen
Representative Director	Toshio Fukushima
Board of Directors	9 Executive directors: 5 / Executive auditors: 1 Non-executive directors: 1 / Non-executive auditors: 2
No. of Employees	109 (excluding dispatched employees)
Registered financial instruments firm	Registration No. 355 (Financial Instruments), Director-General, Kanto Local Finance Bureau (Kinsho)
Building lots and buildings transaction business license	License No. (3) 83920, Governor of Tokyo
Discretionary agent for real estate transaction approval	License No. 34, Minister of Land, Infrastructure, Transportation and Tourism
Association membership	Member of The Investment Trusts Association, Japan Member of Japan Investment Advisers Association Member of Type II Financial Instruments Firms Association

Directors

As of June 1, 2019

Chairman of the Board	Akira Yamanouchi
President and Representative Director	Toshio Fukushima
Vice President and Representative Director	Yuji Shinotsuka
Vice President and Representative Director	Yoshiki Nishigaki
Director	Hajime Imbe
Director (non-executive)	Keiichi Ishikawa
Auditor	Tamaki Shibayama
Auditor (non-executive)	Sachiko Hanaoka
Auditor (non-executive)	Shinji Kiso

REITs which entrust the asset management to the Asset Management Company

As of June 1, 2019

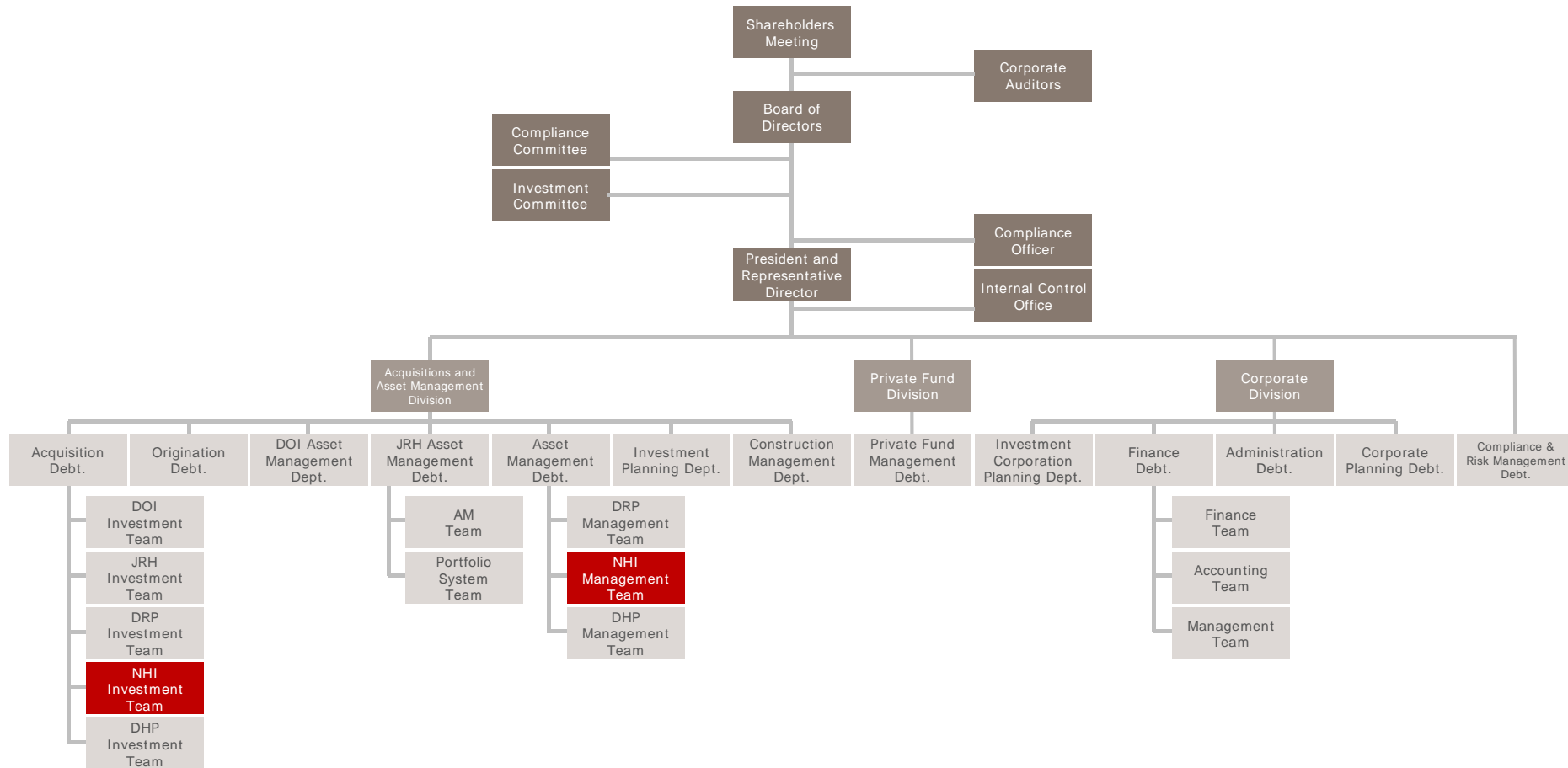
Daiwa Office Investment Corporation	Listed REIT focusing on office buildings Asset size: approximately 460.0 billion yen (59 properties)(*)
Japan Rental Housing Investments Inc.	Listed REIT focusing on residential properties Asset size: approximately 220.8 billion yen (188 properties)
Daiwa Residential Private Investment Corporation	Private REIT focusing on residential properties Asset size: approximately 121.0 billion yen (80 properties)
Nippon Healthcare Investment Corporation	Jap an's first listed REIT focusing on healthcare facilities Asset size: approximately 19.7 billion yen (23 properties)
Daiwa Hotel Private Investment Corporation	Private REIT focusing on hotels Asset size: approximately 29.8 billion yen (7 properties)

(*) excluding silent partnership equity interest



Overview of Asset Management Company (2)

Organization of Asset Management Company





Hopeful
future
for
Japan