

4th

Fiscal Period Business Report

(Statement of Financial Performance)

November 1, 2015 – April 30, 2016

Hopeful future for Japan

日本ヘルスケア投資法人

Nippon Healthcare Investment Corporation

To Our Investors

Message from Executive Director

We would like to express our deep gratitude to all our unitholders for your support of Nippon Healthcare Investment Corporation (“NHI”).

NHI posted financial performance of 667 million yen in operating revenue, 289 million yen in operating income and 260 million yen in net income for the fiscal period ended April 2016 (4th Fiscal Period). Concerning distributions, NHI declared a distribution amount per unit of 3,495 yen and a distribution amount in excess of earnings per unit of 800 yen, bringing the total distribution amount per unit to 4,295 yen. [See page 3 for Financial and Management Highlights](#)

During the 4th Fiscal Period, NHI acquired Alpha Living Okayama Nishigawa Ryokudokoen, Alpha Living Okayama Korakuen, Alpha Living Takamatsu Ekimae and Alpha Living Takamatsu Hyakkenmachi (total acquisition price: 2,550 million yen) with the capital gained through the public offering announced in October 2015, expanding the asset size from 13,280 million yen at the time of listing to 18,608 million yen. NHI will aim to enhance portfolio value through investments in carefully selected properties going forward. [See page 5 for details of External Growth](#)

The number of operators of facilities owned by NHI has increased from 7 at the time of listing to 10 in the fiscal period ended April 2016. NHI has realized maintenance and improvement of portfolio stability by pressing forward diversification of operators and concluding long-term fixed rent lease agreements. [See page 7 for Stable Management Strategy](#)

On the financial front, NHI has promoted diversification of payment dates. NHI will continue to work to further strengthen its financial standing while reducing refinancing risks in the future. [See page 10 for Financial Conditions](#)

Going forward, NHI will strive to maximize unitholders’ value together with the joint efforts by Daiwa Real Estate Asset Management Co. Ltd., the asset manager for NHI, Daiwa Securities Group Inc., the sponsor, and AIP Healthcare Japan GK, the advisor.

We wish for the continued success of our unitholders and ask for your continued support of NHI.



Hiroshi Fujioka Nippon Healthcare Investment Corporation Executive Director

Contents

I. Overview of Nippon Healthcare Investment Corporation	II. Investor Information	12
To Our Investors	2	
Financial and Management Highlights	3	
Characteristics of Nippon Healthcare Investment Corporation	4	
External Growth	5	
Portfolio Status	6	
Stable Management Strategy	7	
Portfolio List	8	
Portfolio Map	9	
Financial Conditions	10	
Description of Asset Manager	11	
	III. Asset Management Report	14
	IV. Balance Sheets	20
	V. Statements of Income	22
	VI. Statements of Changes in Net Assets	23
	VII. Statements of Cash Flows	23
	VIII. Notes to Financial Statements	24
	IX. Independent Auditor's Report	33

Please refer to the pages starting from the back cover for information on the operators

Financial and Management Highlights

Steady growth in asset size and maintenance of stable distribution level

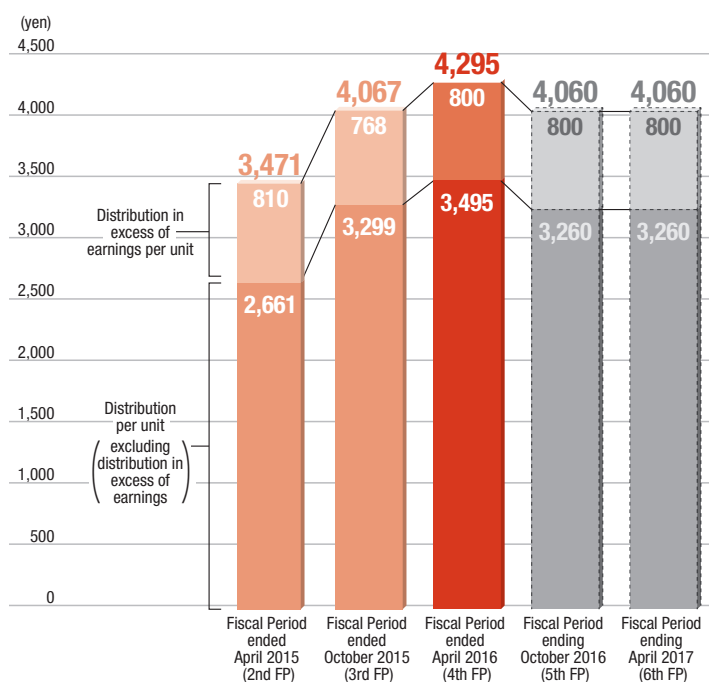
Actual Financial Results for Fiscal Period Ended April 2016 (4th Fiscal Period), Forecast of Operating Results for Fiscal Period Ending October 2016 (5th Fiscal Period) and Fiscal Period Ending April 2017 (6th Fiscal Period)

	3rd Fiscal Period (October 2015) (result)	4th Fiscal Period (April 2016) (result)	Difference	5th Fiscal Period (October 2016) (forecast)	Difference from 4th Fiscal Period	6th Fiscal Period (April 2017) (forecast)	Difference from 5th Fiscal Period
No. of properties owned at the end of the fiscal period	17	21	4	21	-	21	-
Operating revenue (million yen)	555	667	111	676	9	676	0
Operating expense (million yen)	330	377	46	404	27	405	0
Recurrent income (million yen)	224	289	64	271	-17	271	-0
Non-operating expenses (million yen)	23	27	4	27	-0	27	-0
Ordinary income (million yen)	201	261	60	244	-17	244	0
Net income (million yen)	200	260	60	243	-17	243	0

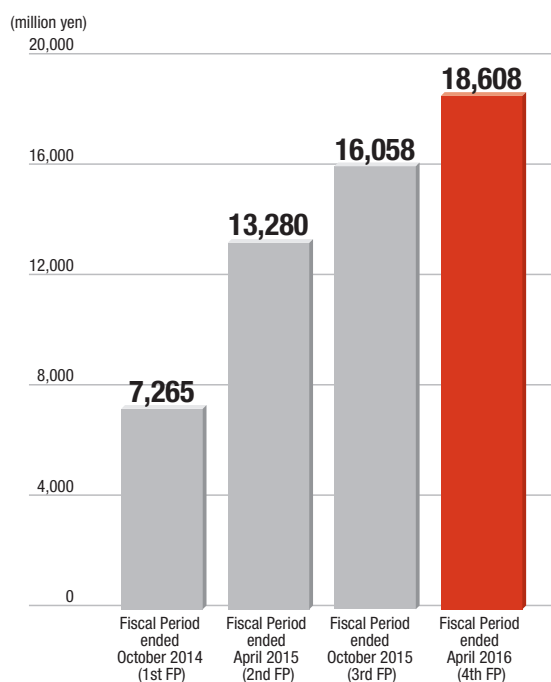
Distribution Result for 4th Fiscal Period, Distribution Forecast for 5th Fiscal Period and 6th Fiscal Period

	3rd Fiscal Period (October 2015) (result)	4th Fiscal Period (April 2016) (result)	Difference	5th Fiscal Period (October 2016) (forecast)	Difference from 4th Fiscal Period	6th Fiscal Period (April 2017) (forecast)	Difference from 5th Fiscal Period
Number of investment units issued and outstanding at the end of the fiscal period (units)	60,800	74,632	13,832	74,632	-	74,632	-
Distribution per unit (including distribution in excess of earnings) (yen)	4,067	4,295	228	4,060	-235	4,060	-
Distribution per unit (excluding distribution in excess of earnings) (yen)	3,299	3,495	196	3,260	-235	3,260	-
Distribution in excess of earnings per unit (yen)	768	800	32	800	-	800	-

Distribution per Unit (including distribution in excess of earning)



Asset Size (total amount of acquisition prices)



Characteristics of Nippon Healthcare Investment Corporation

Contributing to society and delivering returns to unitholders through substantial support system

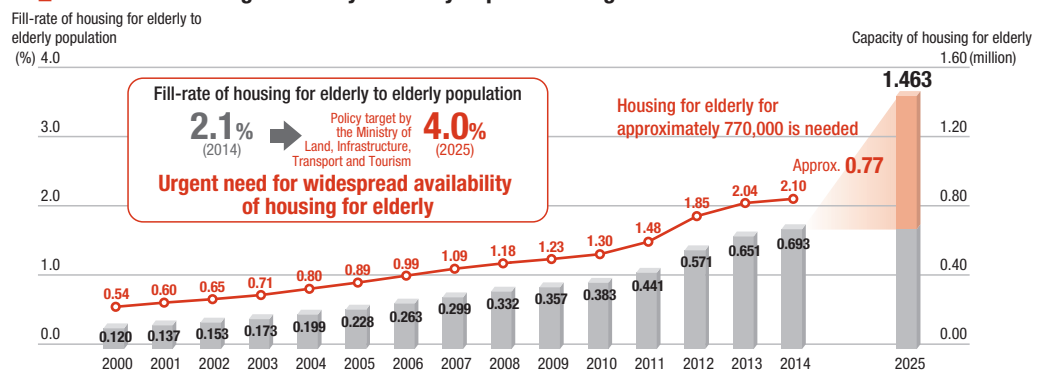
1 Growth through investment in the growing senior market

- Social demand for healthcare facilities is expected to grow in the medium to long term through further aging of the population.
- NHI aims to expand assets under management in the medium to long term using our expertise on healthcare, extensive network and fund raising capabilities.

Japan's graying population

The ratio of the number of people 65 years or older (elderly population) to the total population (population aging rate) in Japan is expected to rise, and the population of the elderly living alone is expected to grow along with the rising population aging rate.

■ Fill-Rate of Housing for Elderly to Elderly Population Target Rate for 2025

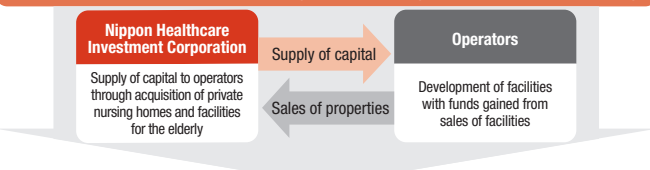


(Source) Cabinet Office, Ministry of Health, Labour and Welfare, Ministry of Internal Affairs and Communications, National Institute of Population and Social Security Research, etc.

2 Investment in social infrastructure to contribute to society

- NHI will contribute to the development of quality healthcare facilities which serve as social infrastructure.

Expansion of social demand in line with shortage of private nursing homes and facilities for the elderly



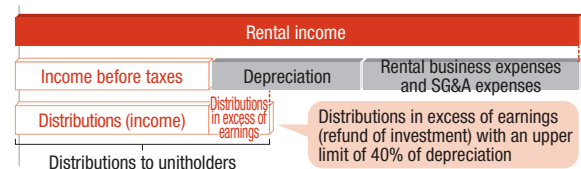
Promotion of supply of quality private nursing homes and facilities for the elderly

3 Stable cash flow

- To stabilize cash flow, NHI will sign long-term fixed-rent lease agreements with operating bodies ("operators") of healthcare facilities.

4 Unitholder return policy utilizing asset characteristics

- NHI will implement unitholder returns through distributions in excess of earnings utilizing the asset characteristic of a high rate of depreciation.
- NHI offers a unitholder benefits program for the purpose of expanding the horizons of NHI's unitholders, under the agreement with operators of healthcare facilities which NHI owns.



5 Substantial support system by sponsor and advisor

- NHI will develop the support system that brings together the comprehensive strengths of Daiwa Securities Group Inc. (sponsor), an expert finance company, and AIP Healthcare Japan GK (advisor), an expert healthcare company.
- NHI's asset manager is able to establish cooperative relations with a wide range of operators as it is very independent with no participation of operator groups.



External Growth

Continuous development of portfolio through acquisition of carefully selected properties

Ratios of Investment in Regions

Ratios of investment in regions	Definition	Target 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
Core City Areas	Cities outside the Three Major Metropolitan Areas with populations of 200,000 or more	50% or less
Other	Cities outside the Three Major Metropolitan Areas and the Core City Areas with populations under 200,000	10% or less

Ratios of Investment in Healthcare Facility Types

Classification of healthcare facility	Target incorporation ratio
Private nursing homes and other facilities for the elderly	60% or more
Medical facilities	40% or less
Other	10% or less

Fee-based homes for the elderly (Note 1) (with nursing care / health-type / residential-type)
Elderly housing with supportive services (Note 2)
Other private nursing homes and facilities for the elderly

(Note 1) "Fee-based homes for the elderly" refer to facilities as defined by Article 29 of the Act on Social Welfare for the Elderly. However, this excludes facilities that fall under the category of elderly housing with supportive services.

(Note 2) "Elderly housing with supportive services" refers to rental housing registered by prefectures that meet the registration criteria stipulated by the Act on Securement of Stable Supply for Elderly Persons' Housing.

Properties Acquired in 4th FP (ended April 2016)

Alpha Living Okayama Nishigawa Ryokudokoen



Location	Okayama-shi, Okayama
Acquisition date	November 24, 2015
Acquisition price (million yen)	730
Total leased area (m ²)	2,124.16
Structure / floors	RC/7F
Number of rooms (rooms)	53
Resident capacity	55
Range of room size (m ²)	18.06 ~ 36.63
Opening date	October 1, 2014



Site Features The Property is located close to Okayama Station and the prefectural government's office of Okayama, which are in the center of Okayama City. Trees are planted effectively along the nearby Nishigawa River, creating a tasteful community environment with a park on the north side of the Property.

Property Features The Property was completed in 2014 and is relatively new and provides private rooms of around 18m² which is a standard room size for facilities with nursing care. The rooms are equipped with sink and toilet.

Alpha Living Okayama Korakuen



Location	Okayama-shi, Okayama
Acquisition date	November 24, 2015
Acquisition price (million yen)	610
Total leased area (m ²)	2,129.44
Structure / floors	RC/4F
Number of rooms (rooms)	45
Resident capacity	48
Range of room size (m ²)	18.40 ~ 37.94
Opening date	March 1, 2015

Site Features The Property is closely located to the east side of Asahigawa River, which runs north to south in Okayama City. On its south, across an arterial road, is Korakuen, which is one of the three great gardens of Japan and Okayama castle; and quiet residential areas spread on the west and southwest sides.

Property Features The Property which opened in 2015 was converted from a recreation property owned by a local major company in Okayama City. The Property provides private rooms of around 18m² to 25m² which is a standard room size for facilities with nursing care. The rooms are equipped with sink and toilet.

Alpha Living Takamatsu Ekimae



Location	Takamatsu-shi, Kagawa
Acquisition date	November 24, 2015
Acquisition price (million yen)	605
Total leased area (m ²)	1,848.06
Structure / floors	RC/6F
Number of rooms (rooms)	43
Resident capacity	44
Range of room size (m ²)	18.00 ~ 45.71
Opening date	July 15, 2014



Site Features The Property is located an approximate five-minute walk from Takamatsu Station on the JR Yosan Line, enjoying the transport convenience. The area is also close to a commercial district with local shopping streets, offering daily convenience.

Property Features The residential-type Property for the elderly completed in year 2014 is relatively new and provides private rooms of around 18m² which is a standard room size for facilities with nursing care. The rooms are equipped with sink and toilet. There is also a dental clinic on the first floor.

Alpha Living Takamatsu Hyakkenmachi



Location	Takamatsu-shi, Kagawa
Acquisition date	November 24, 2015
Acquisition price (million yen)	605
Total leased area (m ²)	1,929.16
Structure / floors	RC/10F
Number of rooms (rooms)	52
Resident capacity	54
Range of room size (m ²)	21.29 ~ 40.80
Opening date	August 15, 2010

Site Features The Property is located a four-minute walk to Kataharamachi Station on Kotohira Line of Takamatsu-Kotohira Electric Railroad and is also within walking distance to Takamatsu Station on the JR Yosan Line. It is fairly close to an area where Takamatsu Mitsukoshi department store and other brand shops are located. There is also a shopping arcade on the west side, boasting excellent living convenience.

Property Features The Property which is an elderly housing with supportive services provides private rooms of around 27m² which is larger than the standard size for rooms designed for independent elderly people. The rooms are equipped with mini-kitchen, bathroom, sink and toilet.

Status of Property Acquisition by Sourcing Route

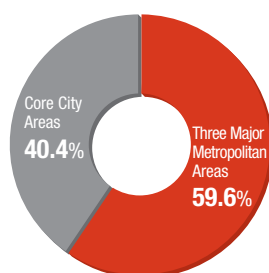
	Properties acquired before listing 14 properties/13,280 million yen	Properties acquired in the 3rd FP 3 properties/2,778 million yen	Properties acquired in the 4th FP 4 properties/2,550 million yen
Asset Management Company's unique network		Silver Heights Hitsujigaoka No.3 · M&A cases for business succession · Needs for securing liquidity on hand	Sales & Leaseback Alpha Living Okayama Nishigawa Ryokudokoen Alpha Living Okayama Korakuen Alpha Living Takamatsu Ekimae Alpha Living Takamatsu Hyakkenmachi · Properties sold by developer group which owns operators · Exclusive needs for facility management
Sponsor group		Minna-no-ie Omiya Yoshinocho Minna-no-ie Chuo-ku En'nami · Properties introduced by the sponsor group · Needs for asset management from owners	
Advisor	14 properties/13,280 million yen		14 properties/13,280 million yen

Portfolio Status

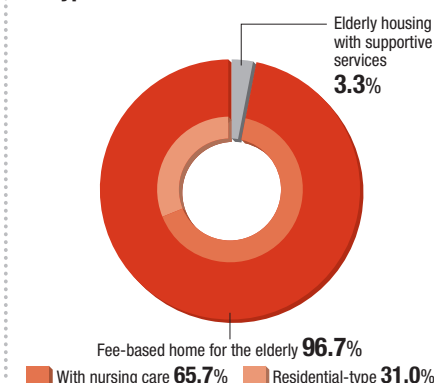
Focusing investment on private nursing homes and other facilities for the elderly for which large demand is expected

Diversification Status

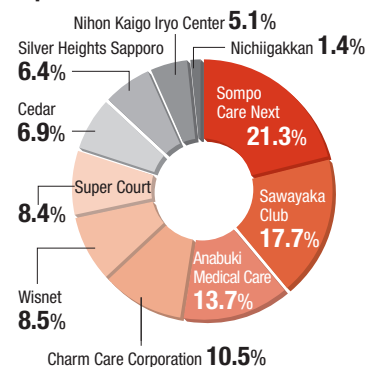
Region



Type



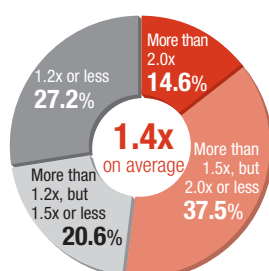
Operator



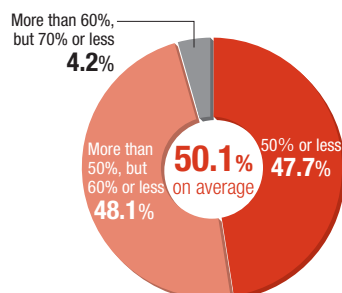
(Note) The ratios in the above three pie charts are calculated based on total acquisition prices, and rounded to the first decimal place.

Portfolio Status

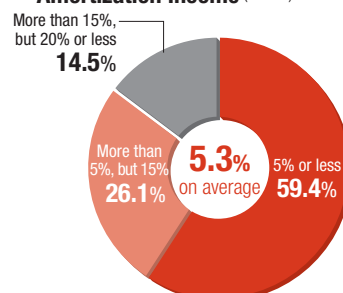
Rent-Paying Capacity (Note 1)



Proportion of Long-Term Care Fee (Note 2)



Proportion of One-Time Entrance Fee Amortization Income (Note 3)



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

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

(Note 3) "Proportion of one-time entrance fee amortization income" refers to the proportion of the acquired asset's net sales that is accounted for by one-time entrance fee amortization income.

(*) Data are based on information on business income and expenditures from April 2015 to March 2016 disclosed by the respective operator. However, data for Nichii Care Center Fukushima Omori are based on information on business income and expenditures from January 2015 to December 2015; for Silver Heights Hitsujigaoka No.3 from March 2015 to February 2016.

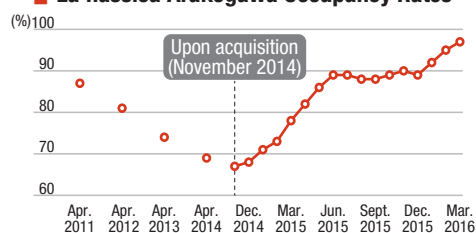
Portfolio Management Improvement Case

La'nassica Arakogawa



Location	Nagoya-shi, Aichi
Acquisition date	November 24, 2015
Acquisition price (million yen)	1,279
Total leased area (m ²)	3,590.40
Structure / floors	S/4F
Number of rooms (rooms)	100
Resident capacity	100
Range of room size (m ²)	18.00~19.65
Opening date	June 1, 2008

La'nassica Arakogawa Occupancy Rates



Condition at the time of acquisition

- Lack of care staff and difficulty of recruitment influenced the acceptance of new residents.

Retention of care staff and solution to lack of staff

- Newly allocated two move-in consultants and executed individual interview of all personnel with the director.

Improvement in occupancy rates

- The director and the move-in staff personally deployed active marketing to hospitals, medical facilities, in-home long-term care support offices, health and welfare for the elderly and practiced reinforcement of marketing.

Stable Management Strategy

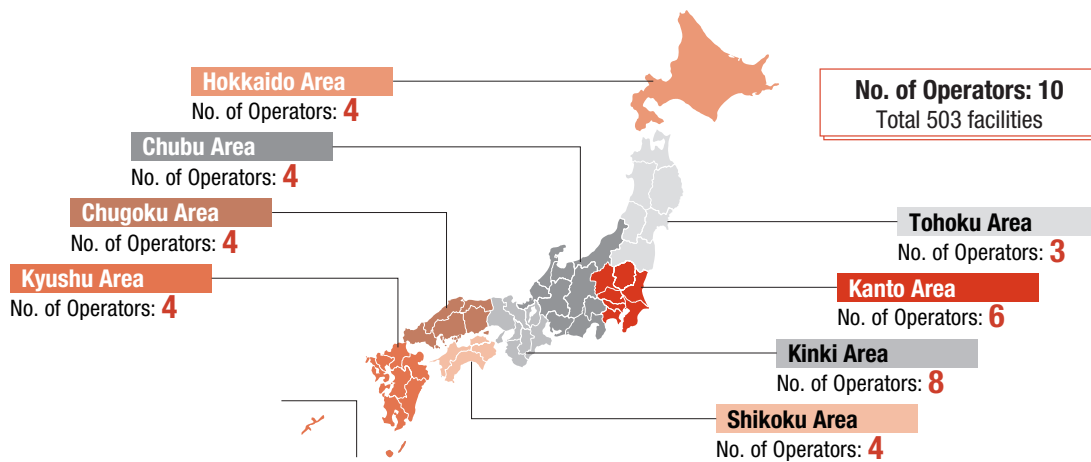
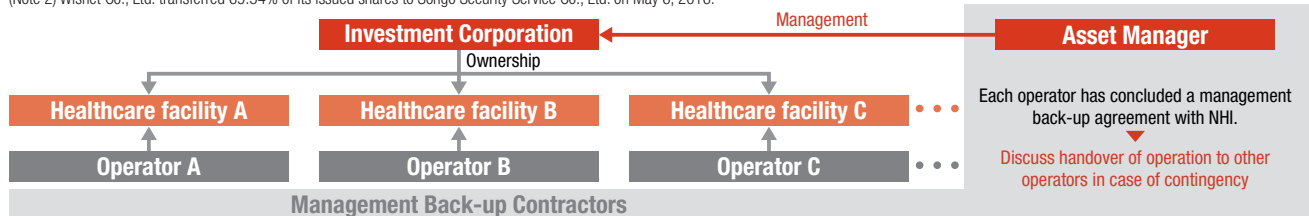
Concluding long-term fixed rent lease agreements

Lease Agreements with Highly Reliable Operators

Operator	Number of facilities operated (cases) (Note 1)	Number of rooms operated (rooms) (Note 1)	Established	Attributes
Nichiigakkan Co., Ltd.	408	12,873	August 1973	Listed on the first section of the Tokyo Stock Exchange
Wisnet Co., Ltd. (Note 2)	124	3,504	January 1998	Subsidiary of Sohgo Security Services Co., Ltd. a company listed on the first section of the Tokyo Stock Exchange
Sompo Care Next, Inc.	116	8,743	November 1992	Subsidiary of Sompo Japan Nipponkoa Holdings, Inc., a company listed on the first section of the Tokyo Stock Exchange
Sawayaka Club Co., Ltd.	66	4,042	December 2004	Subsidiary of Uchiyama Holdings Co., Ltd., a company listed on the first section of the Tokyo Stock Exchange
Super Court Co., Ltd.	45	3,019	May 1995	-
Charm Care Corporation	39	2,042	August 1984	Listed on JASDAQ Standard on the Tokyo Stock Exchange
Cedar Co., Ltd.	30	2,092	April 1981	Listed on JASDAQ Standard on the Tokyo Stock Exchange
Nihon Kaigo Iryo Center Co., Ltd.	25	1,099	October 1997	-
Anabuki Medical Care Inc.	22	941	June 2009	Subsidiary of Anabuki Kosan Inc., a company listed on the first section of the Tokyo Stock Exchange
Silver Heights Sapporo Co., Ltd.	3	321	December 1961	-

(Note 1) Number of facilities operated and Number of rooms operated 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, 2016).

(Note 2) Wisnet Co., Ltd. transferred 69.54% of its issued shares to Sohgo Security Service Co., Ltd. on May 6, 2016.



Development of Quality Portfolio through Careful Selection and Continuous Evaluation of Operators

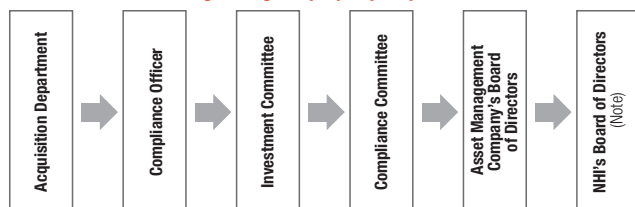
At the Time of New Acquisition

Careful selection of operators

Conducting due diligence utilizing the screening know-how of financial institutions

- Conduct due diligence utilizing the screening know-how held by the sponsor group, which is a financial institution, in order to confirm continuity and superiority of operators' operations.

Flow of decision-making through to property acquisition



(Note) Approval by NHI's Board of Directors is required for transactions with interested parties.

At the Time of Continuous Evaluation

Continuous evaluation

Conducting the same evaluation as at the time of acquisition even after acquisition

- Six members are placed in the Healthcare Management Team. (Three concurrent positions).
- Regularly conduct the same evaluation as at the time of property acquisition.
- In addition, visit facilities, etc. and conduct facility monitoring, interviews, etc. including the following.

Monitoring (Twice or more/year)

- The Asset Manager 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:
 - Responses to residents
 - Employees training program
 - Status of governance (including items to check for prevention of resident mistreatment)

Portfolio List (as of April 30, 2016)

Consists of 10 operators and 21 properties

No. (Note 1)	Acquisition period	Property name (Note 1)	Facility type (Note 1)	Operator	Location	Acquisition price (million yen) (Note 2)		Appraisal value (million yen) (Note 3)	Number of rooms (rooms) (Note 4)
							Share of portfolio (%)		
1	1st Fiscal Period	Charm Suite Ryokuchi Koen	Fee-based homes for the elderly with nursing care	Charm Care Corporation	Toyonaka City, Osaka	1,950	10.5	3,030	128
2	2nd Fiscal Period	Super Court JR Nara-Ekimae	Residential-type fee-based homes for the elderly	Super Court Co., Ltd.	Nara City, Nara	1,569	8.4	1,720	155
3	1st Fiscal Period	Sompo Care LAVIER Hiroshima Hikarigaoka (Note 5)	Fee-based homes for the elderly with nursing care	Sompo Care Next Inc.	Hiroshima City, Hiroshima	960	5.2	1,220	80
4	1st Fiscal Period	Sompo Care LAVIER Sagamihara Chuo (Note 5)	Fee-based homes for the elderly with nursing care		Sagamihara City, Kanagawa	1,170	6.3	1,720	80
5	2nd Fiscal Period	Sompo Care LAVIER Kinugasayama Koen (Note 5)	Fee-based homes for the elderly with nursing care		Yokosuka City, Kanagawa	1,839	9.9	2,030	104
6	1st Fiscal Period	Sawayaka Kaikyokan	Fee-based homes for the elderly with nursing care	Sawayaka Club Co., Ltd.	Kitakyushu City, Fukuoka	630	3.4	886	65
7	1st Fiscal Period	Sawayaka Meisuikan	Fee-based homes for the elderly with nursing care		Kitakyushu City, Fukuoka	590	3.2	802	87
8	1st Fiscal Period	Sawayaka Heart Life Nishikyogoku	Residential-type fee-based homes for the elderly		Kyoto City, Kyoto	750	4.0	1,210	84
9	2nd Fiscal Period	Sawayaka Hinodekan	Fee-based homes for the elderly with nursing care		Niigata City, Niigata	773	4.2	924	50
10	2nd Fiscal Period	Sawayaka Riverside Kurinoki	Residential-type fee-based homes for the elderly		Niigata City, Niigata	266	1.4	319	33
11	2nd Fiscal Period	Sawayaka Obatake Sanbankan	Residential-type fee-based homes for the elderly		Kitakyushu City, Fukuoka	289	1.6	350	50
12	1st Fiscal Period	Nichii Care Center Fukushima Omori	Fee-based homes for the elderly with nursing care		Nichiigakkan Co., Ltd.	Fukushima City, Fukushima	265	1.4	349
13	2nd Fiscal Period	La'nassica Arakogawa	Fee-based homes for the elderly with nursing care	Cedar Co., Ltd.	Nagoya City, Aichi	1,279	6.9	1,410	100
14	1st Fiscal Period	Verger Hirakata	Residential-type fee-based homes for the elderly	Nihon Kaigo Iryo Center Co., Ltd.	Hirakata City, Osaka	950	5.1	1,570	104
15	3rd Fiscal Period	Minna-no-ie Omiya Yoshinocho	Fee-based homes for the elderly with nursing care	Wisnet Co., Ltd.	Saitama City, Saitama	740	4.0	785	33
16	3rd Fiscal Period	Minna-no-ie Chuo-ku En'nami	Fee-based homes for the elderly with nursing care		Saitama City, Saitama	838	4.5	885	51
17	3rd Fiscal Period	Silver Heights Hitsujigaoka No. 3	Fee-based homes for the elderly with nursing care	Silver Heights Sapporo Co., Ltd.	Sapporo City, Hokkaido	1,200	6.4	1,320	109
18	4th Fiscal Period	Alpha Living Okayama Nishigawa Ryokudoko	Residential-type fee-based homes for the elderly	Anabuki Medical Care Inc.	Okayama City, Okayama	730	3.9	776	53
19	4th Fiscal Period	Alpha Living Okayama Korakuen	Residential-type fee-based homes for the elderly		Okayama City, Okayama	610	3.3	661	45
20	4th Fiscal Period	Alpha Living Takamatsu Ekimae	Residential-type fee-based homes for the elderly		Takamatsu City, Kagawa	605	3.3	631	43
21	4th Fiscal Period	Alpha Living Takamatsu Hyakkenmachi	Elderly housing with supportive services		Takamatsu City, Kagawa	605	3.3	617	50
10 operators 21 properties Total						18,608	100.0	23,215	1,556

(Note 1) Red numbers refer to Three Major Metropolitan Areas and blue numbers to Core City Areas. 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 the first decimal place. Therefore the total of "Share of portfolio" may be different from the figure indicated in "Total."

(Note 3) "Appraisal value" is as of April 30, 2016.

(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.

(Note 5) The property names were changed on April 1, 2016 in accordance with the brand unification of the Sompo Care Next Inc. facilities.

Portfolio Map (as of April 30, 2016)

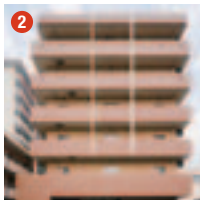
Making diversified investment in healthcare facilities in Japan

Three Major Metropolitan Areas



1

Charm Suite Ryokuchi Koen
Toyonaka City, Osaka



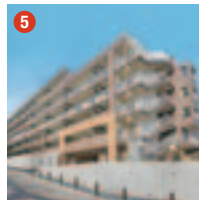
2

Super Court JR Nara-Ekimae
Nara City, Nara



4

Somo Care LAVIER Sagamihara Chuo
Sagamihara City, Kanagawa



5

Somo Care LAVIER Kinugasayama Koen
Yokosuka City, Kanagawa



8

Sawayaka Heart Life Nishikyogoku
Kyoto City, Kyoto



13

La'nassica Arakogawa
Nagoya City, Aichi



14

Verger Hirakata
Hirakata City, Osaka



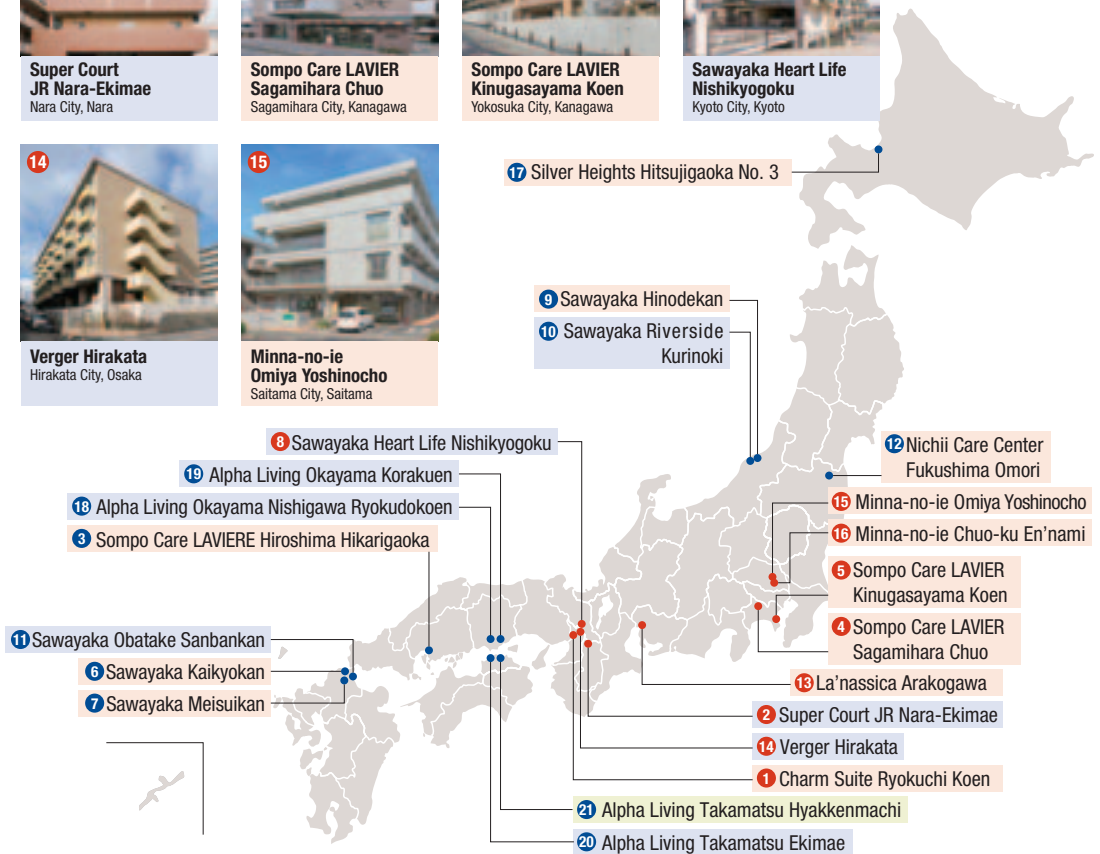
15

Minna-no-ie Omiya Yoshinocho
Saitama City, Saitama



16

Minna-no-ie Chuo-ku En'nami
Saitama City, Saitama



Core City Areas



3

Somo Care LAVIER Hiroshima Hikarigaoka
Hiroshima City, Hiroshima



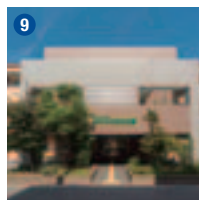
6

Sawayaka Kaikyokan
Kitakyushu City, Fukuoka



7

Sawayaka Meisuikan
Kitakyushu City, Fukuoka



9

Sawayaka Hinodekan
Niigata City, Niigata



10

Sawayaka Riverside Kurinoki
Niigata City, Niigata



11

Sawayaka Obatake Sanbankan
Kitakyushu City, Fukuoka



12

Nichii Care Center Fukushima Omori
Fukushima City, Fukushima



17

Silver Heights Hitsujigaoka No. 3
Sapporo City, Hokkaido



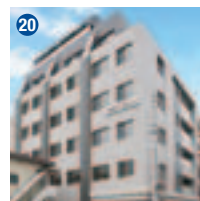
18

Alpha Living Okayama Nishigawa Ryokudoko
Okayama City, Okayama



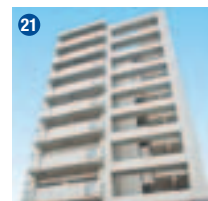
19

Alpha Living Okayama Korakuen
Okayama City, Okayama



20

Alpha Living Takamatsu Ekimae
Takamatsu City, Kagawa



21

Alpha Living Takamatsu Hyakkenmachi
Takamatsu City, Kagawa

(Note) Red numbers refer to Three Major Metropolitan Areas and blue numbers to Core City Areas. 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.

Financial Conditions

Conducting stable financial management by converting interest rate into a fixed rate and diversifying repayment dates

Status of Interest-Bearing Liabilities (as of April 30, 2016)

Term	Lender	Balance (million yen)	Type of interest	Interest rate (%) (Note 1)	Drawdown date	Repayment deadline
Long-term	Mizuho Bank (Note 2)	800	Fixed	0.344	November 5, 2014	October 31, 2017
		1,000		0.532		October 31, 2019
	Resona Bank (Note 2)	1,200		0.532		October 31, 2019
	Sumitomo Mitsui Trust Bank (Note 2)	1,200		0.431		October 31, 2018
	Mizuho Trust & Banking (Note 2)	700		0.532		October 31, 2019
	The Musashino Bank (Note 2) (Note 3)	500		0.329		October 31, 2017
	Shinkin Central Bank	500		0.355		October 31, 2017
	The Dai-ichi Life Insurance	500		0.431		October 31, 2018
	Mizuho Bank (Note 2)	500		0.524		May 29, 2020
	Mizuho Trust & Banking (Note 2)	500		0.524		May 29, 2020
	The Musashino Bank (Note 2)	500		0.524		May 29, 2020
	Resona Bank (Note 2)	500		0.474		October 30, 2020
	Shinkin Central Bank (Note 2)	400		0.293		October 31, 2018
	Sumitomo Mitsui Trust Bank (Note 2)	500		T+0.225		April 30, 2020
	Total	9,300		-		-

(Note 1) Interest rates are rounded to the third decimal place.

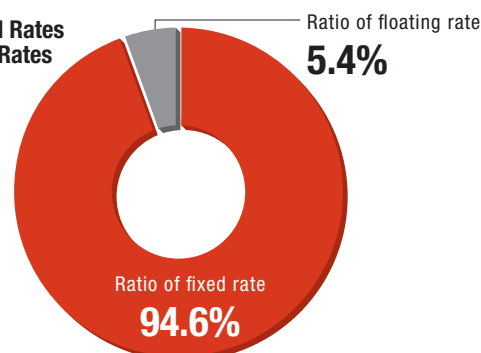
(Note 2) For loans of which variable interest rates have been converted to, in effect, fixed rates through a swap agreement, interest rate indicates the rate after such conversion.

(Note 3) Interest rates are converted on a one year=365 days basis.

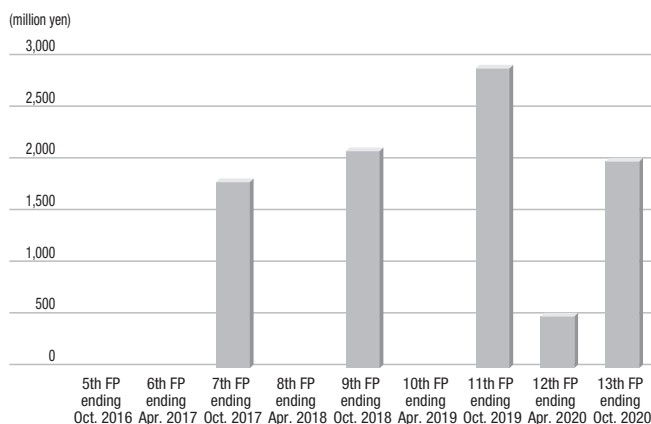
Ratio of Long-Term Loans and Short-Term Loans



Ratio of Fixed Rates and Variable Rates



Repayment Schedule



Average remaining period (Note 1) **3.1 years**
(as of April 30, 2016)

LTV (Note 2) **44.6%**
(as of April 30, 2016)

(Note 1) Average remaining period is rounded to the first decimal place.

(Note 2) LTV is calculated based on total assets.

Indices that Include NHI

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

Description of Asset Manager

Organization of Asset Manager (as of June 30, 2016)

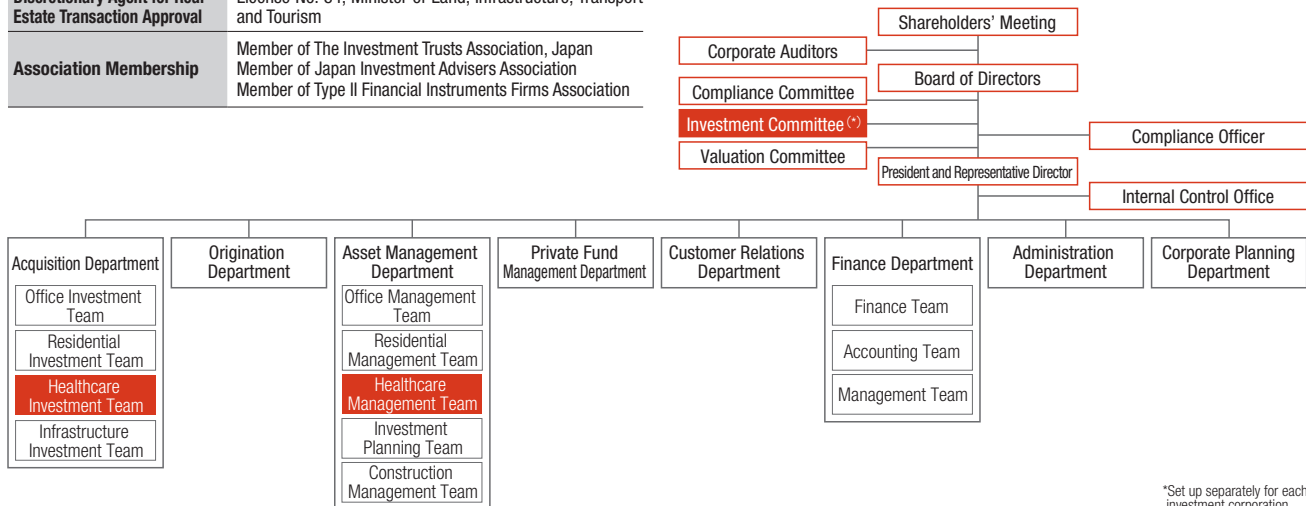
Corporate Profile

Company 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
President	Akira Yamanouchi
Board of Directors	9 Executive directors: 4 / Executive auditors: 1 Non-executive directors: 2 / Non-executive auditors: 2
Employees	66 (excluding dispatched employees)
Registration of Financial Instruments Business Operator	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, Transport 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

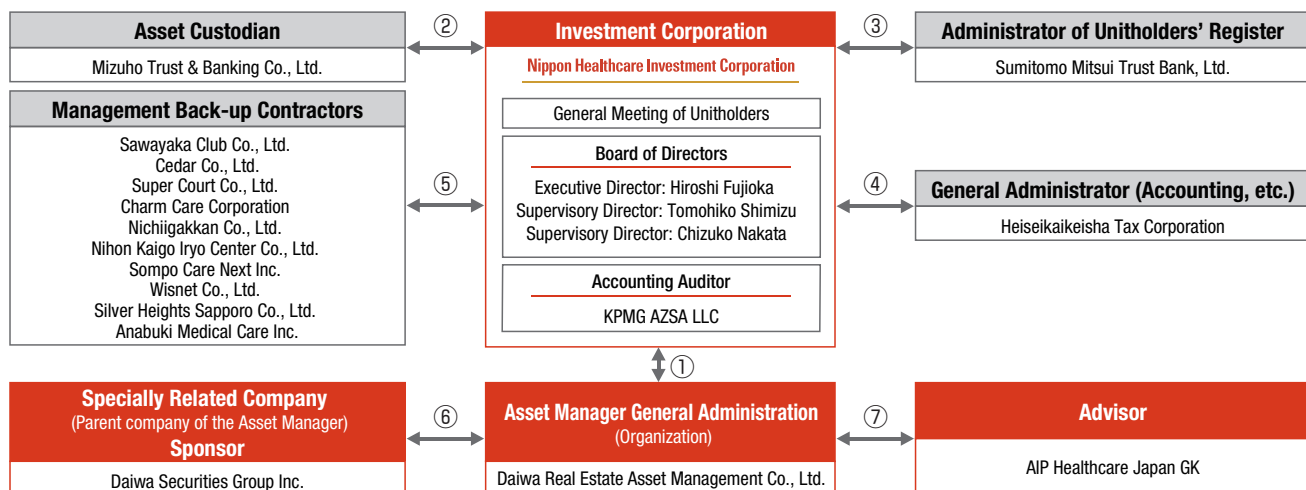
Directors and Auditors

President and Representative Director	Akira Yamanouchi
Vice President and Representative Director	Yuji Shinotsuka
Vice President and Representative Director	Yoshiki Nishigaki
Director	Naoyuki Owa
Director (non-executive)	Mikita Komatsu
Director (non-executive)	Akihiko Ogino
Auditor	Tamaki Shibayama
Auditor (non-executive)	Morimasa Matsuda
Auditor (non-executive)	Shinji Kiso

Organizational Chart



Structure



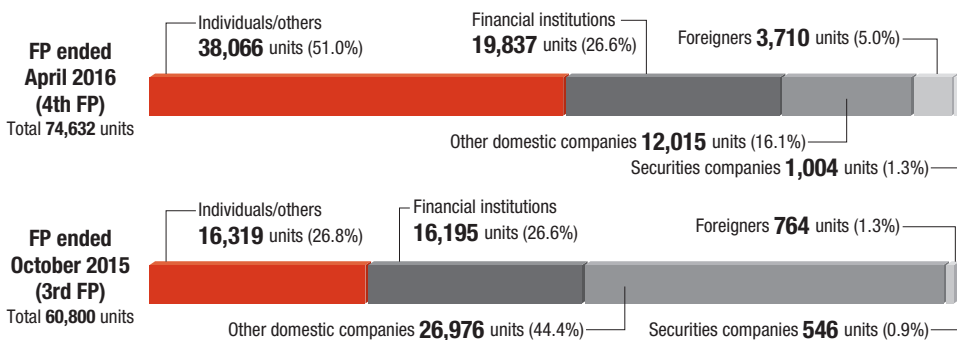
- ① Asset management agreement/General administration affairs agreement related to operation ④ General administrator of accounting agreement ⑦ Advisory agreement
 ② Asset custodian agreement ⑤ Management back-up agreement
 ③ General administrator of unitholders' registry agreement ⑥ Sponsor support agreement

History of Investment Unit Prices



Overview of Investment Units and Unitholders (as of April 30, 2016)

No. of Investment Units by Investor Type



No. of Unitholders by Investor Type

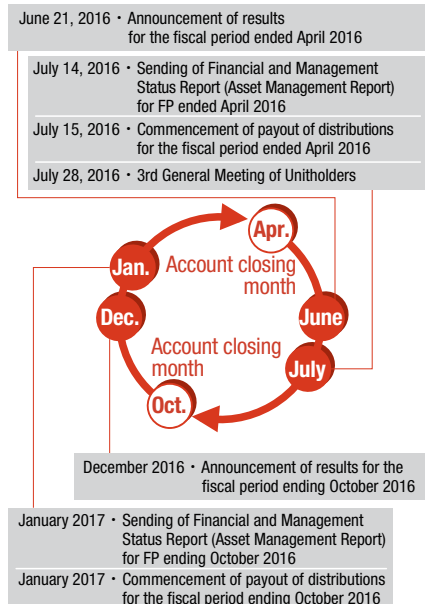
Individuals/others	8,928 (97.4%)
Financial institutions	29 (0.3%)
Other domestic companies	147 (1.6%)
Foreigners	45 (0.5%)
Securities companies	22 (0.2%)
Total	9,171

Top Ten Unitholders (as of April 30, 2016)

Name of Investor	Number of Units Owned (units)	Percentage Share (%)
1. Daiwa Securities Group Inc.	7,600	10.2
2. The Master Trust Bank of Japan, Ltd. (Investment Trust Account)	5,291	7.1
3. Japan Trustee Services Bank Ltd. (Trust Investment Trust Account)	4,829	6.5
4. Trust & Custody Services Bank Ltd. (Trust Investment Trust Account)	2,969	4.0
5. The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	1,416	1.9
6. Daiwa Real Estate Asset Management Co., Ltd.	1,000	1.3
7. State Street Bank and Trust Company 505001	900	1.2
8. Yonezawa Shinkin Bank	700	0.9
8. Mellon Bank N. A. as Agent for its Client Mellon Omnibus US Pension	700	0.9
10. Chugoku Bank, Ltd.	667	0.9
Total	26,072	34.9

(Note) Rounded to the first decimal place

IR Calendar



Investor Memo

End of fiscal period	April 30 and October 31 of each year
General Meeting of Unitholders	Held at least once every two years
Date for finalizing Unitholders with voting rights for the General Meeting of Unitholders	Date publicly announced beforehand
Reference date for finalizing payment of distributions	April 30 and October 31 of each year (distributions are paid within three months of the reference date)
Listed financial instruments exchange	Tokyo Stock Exchange (securities code: 3308)
Newspaper in which notice is posted	Nihon Keizai Shimbun
Manager of Unitholder Registry, etc.	Sumitomo Mitsui Trust Bank, Limited, 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233
Office handling administrative affairs	Transfer Agency Department of Sumitomo Mitsui Trust Bank, Limited, 2-8-4 Izumi, Sugiyama-ku, Tokyo 168-0063 Phone 0120-782-031 (toll-free in Japan)
Service counter	Head Office and all branches of the Sumitomo Mitsui Trust Bank nationwide

Procedures for Changing Address, Etc.

Please notify the securities company you are dealing with for changes in address, name, etc. For procedures concerning investment units recorded in special account, please contact Stock Transfer Agency Department at Sumitomo Mitsui Trust Bank, Limited (TEL: 0120-782-031 (toll-free in Japan)).

Distributions

Distributions will be payable upon presenting the “Receipt for Distributions” at a post office nearby. In case the due date has been passed, please designate the method of receiving on the back of the receipt and send it to Stock Transfer Agency Department at Sumitomo Mitsui Trust Bank, Limited, or bring it to the head office or branch offices of the bank to receive it. Please note that distributions will not be payable after three years of the payment start date as specified by the Articles of Incorporation of NHI. If you wish to receive distributions via bank transfer, etc. in the future, please contact the securities company you are dealing with.

Notice

[Concerning Statement of Distributions]

The “Statement of Distributions” sent upon payment of distributions serves as a “Notice of Payment” required pursuant to the Act on Special Measures Concerning Taxation. The document may be used to confirm the amount of distributions after receiving, or can serve as an attachment document upon filing a tax return. Thus please make sure to keep it if you are planning to file a tax return. However, if you have selected the method of allocation of dividends in proportion to the number of shares, the amount of withholding tax will be calculated by the securities company, etc. Please confirm with the securities company you are dealing with for any attachment document required for filing a tax return.

Provision of Information via Website



In order to have unitholders deepen understanding of NHI, NHI has been putting forth effort to communicate information through its website. It provides information on the overview of the portfolio and operators as well as healthcare REIT structure. A service providing e-mail notification of news release updates and such to those registered on “IR Email Distribution Service” is also available.

NHI's website

<http://www.nippon-healthcare.co.jp/en/>

Notice on the 3rd General Meeting of Unitholders and Briefing Session on Asset Management for 4th Fiscal Period

NHI will hold the 3rd general meeting of unitholders and briefing session on asset management for the fiscal period ended April 2016 (4th fiscal period).

- Date and time:** July 28, 2016 (Thursday)
10:00 a.m.~ (venue opening at 9:40 a.m.)
- Venue:** 17F, GranTokyo North Tower,
1-9-1 Marunouchi,
Chiyoda-ku, Tokyo

Briefing Session on Asset Management is scheduled to be held at the same venue after the General Meeting of Unitholders on the day. The scheduled presenter is Akira Yamanouchi, President of Daiwa Real Estate Asset Management Co., Ltd.

III. Asset Management Report

1. Management Status and Other Performance Highlights Data

Fiscal Period		4th Period	3rd Period	2nd Period	1st Period
		(From Nov. 1, 2015 To Apr. 30, 2016)	(From May 1, 2015 To Oct. 31, 2015)	(From Nov. 1, 2014 To Apr. 30, 2015)	(From Jan. 7, 2014 To Oct. 31, 2014)
(1) Operating Performance (Millions of yen, except per unit data or where otherwise indicated)					
Operating revenues		667	556	508	355
Rental revenues		667	556	508	355
Operating expenses		377	331	262	185
Property-related expenses		258	208	166	113
Operating income		290	225	246	170
Ordinary income		262	201	163	131
Net income		261	201	162	130
(2) Properties, etc. (as of end of period)					
Total assets		20,848	17,667	15,135	8,466
[period-on-period percentage changes]		[+18.0%]	[+16.7%]	[+78.8%]	[-]
Interest-bearing liabilities		9,300	8,800	6,400	5,850
Net assets		10,669	8,035	8,046	2,110
[period-on-period percentage changes]		[+32.8%]	[-0.1%]	[+281.4%]	[-]
Unitholders' capital, net	Note 3	10,408	7,835	7,884	1,980
(3) Distributions					
Total distribution amount		321	247	211	130
Total distribution of retained earnings		261	200	162	130
Total distribution in excess of retained earnings		60	47	49	-
Dividend payout	Note 4	100%	100%	100%	100%
(4) Per Unit Information					
Total number of units issued (units)		74,632	60,800	60,800	19,800
Net assets per unit (yen)		142,958	132,160	132,332	106,546
Distribution per unit (yen)		4,295	4,067	3,471	6,546
Distribution amount from earnings per unit (yen)		3,495	3,299	2,661	6,546
Distribution amount in excess of earnings per unit (yen)		800	768	810	-
(5) Financial Indicators					
ROA	Notes 5 and 6	1.4%	1.2%	1.4%	1.5%
[annual rate]		[2.7%]	[2.4%]	[2.8%]	[2.6%]
ROE	Notes 6 and 7	2.8%	2.5%	3.2%	6.1%
[annual rate]		[5.6%]	[4.9%]	[6.4%]	[10.3%]
Capital ratio		51.2%	45.5%	53.2%	24.9%
[period-on-period percentage changes]		[5.7%]	[-7.7%]	[28.2%]	[-]
LTV (loan to value)		44.6%	49.8%	42.3%	69.1%
Property leasing cash flows (NOI)	Note 8	596	499	479	336
(6) Other Referential Information					
Number of investment properties		21	17	14	8
Number of tenants	Note 9	21	17	14	8
Total rentable area (m ²)		65,203.04	57,173.22	46,142.60	27,793.71
Occupancy rate	Note 10	100.0%	100.0%	100.0%	100.0%
Depreciation		187	152	138	94
Capital expenditures		10	2	0	1

(Note 1) The Fund has two fiscal periods per year, a six months period from May 1 to October 31, and November 1 to April 30 of the following year. However, the first fiscal period of the Fund is from the date of incorporation (January 7, 2014) to the end of October 2014.

(Note 2) Operating revenues, etc. do not include consumption taxes, etc.

(Note 3) The indicated amounts are unitholders' equity less deduction amount of unitholders' equity.

(Note 4) Dividend payouts for the 1st, 2nd and 4th fiscal periods are calculated by the following formula since issuances of new investment units were implemented.

Dividend payout: [Total distribution amount (excluding distribution in excess of earnings) ÷ Net income] × 100

(Note 5) ROA: Ordinary income ÷ [(Total assets at beginning of period + Total assets at end of period) ÷ 2] × 100

(Note 6) Annualized figures are calculated by using the asset management period of the respective fiscal period; 218 days from March 28, 2014, the actual commencement date of the asset management, to October 31, 2014 for the 1st Fiscal Period; 181 days for the 2nd Fiscal Period; 184 days for the 3rd Fiscal Period; and 182 days for the 4th Fiscal Period.

ROA and ROE for the 1st Fiscal Period are calculated based on total assets at end of period and net assets at end of period, respectively.

(Note 7) ROE: Net income ÷ [(Net assets at beginning of period + Net assets at end of period) ÷ 2] × 100

(Note 8) Property leasing cash flows (NOI): Rental revenues – Property-related expenses + Depreciation

(Note 9) Number of tenants is the total number of end tenants.

(Note 10) Occupancy rate: Total leased area ÷ Total rentable area × 100

2. Developments in Asset Management in the Fiscal Period under Review

(1) Brief History of the Investment Corporation

Nippon Healthcare Investment Corporation (hereinafter referred to as “NHI”) was incorporated on January 7, 2014 under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951; including amendments thereto) (hereinafter referred to as the “Investment Trusts Act”) with Daiwa Real Estate Asset Management Co. Ltd. (hereinafter referred to as the “Asset Management Company”) as the organizer. After its incorporation, NHI conducted an additional issuance of investment units through private placement (18,800 units) on April 3, 2014. NHI commenced actual management with the acquisition of eight properties on March 28, 2014 by using the proceeds from the concerned capital increase through private placement and loans.

After accumulating a track record for roughly seven months after the start of asset management, in the previous fiscal period, NHI conducted a public offering through the issuance of an additional 39,000 investment units on November 4, 2014. On the following day, NHI made additional acquisitions of six properties concurrently with the listing on the REIT Securities Section of the Tokyo Stock Exchange (the “TSE”) (Securities code: 3308). In the 3rd Fiscal Period, NHI made additional acquisitions of three properties with borrowing and cash on hand. Furthermore, NHI implemented an additional issuance of investment units through public offering (12,130 units) on November 17, 2015 and additionally acquired four properties. Through the additional acquisition of properties, the total acquisition price which was 13,280 million yen as of the listing increased to 18,608 million yen as of April 30, 2016.

As the first Japanese REIT specializing in healthcare facilities in that it invests solely in properties of which the principal use is healthcare facilities, NHI effectively utilizes investor capital to initiate expansion of supply of high-quality healthcare facilities that provide users with high-standard services, while at the same time produce ample and dependable returns to investors for further capital circulation. In this way, NHI aims at creating a new value cycle for healthcare facilities and the services provided, together with investors. Through these efforts, NHI would like to contribute to the realization of Japan’s major policy to improve the residential environment for the elderly by effectively utilizing private sector funds.

(2) Investment Environment and Management Performance

(A) Investment Environment (from November 1, 2015 to April 30, 2016)

NHI was established to address Japan’s structural problem of age demographics where the younger population is decreasing and the ratio of elderly people is increasing, and the associated social demand for the enhancement of private nursing homes and other facilities for the elderly, which are thought to be lacking.

Japan has the population of the elderly aged 65 years or over (hereinafter referred to as the elderly population) accounting for approximately one-quarter of the total population as of December 1, 2015 (according to the Ministry of Internal Affairs and Communications’ “Population Estimates” announced on May 20, 2016), and the population of the elderly is forecast to continue to account for an increasingly greater proportion and the population of the elderly living alone is forecast to continue to grow. There is thus recognized to be sufficient potential for greater development of housing for the elderly with nursing care services, etc. that are designed for the elderly to reside (referring to “silver housing” (public housing for the elderly), “good rental housing for the elderly,” “elderly housing with supportive services,” “fee-based homes for the elderly” and “low-cost homes for the elderly;” the same shall apply hereinafter).

The Ministry of Land, Infrastructure, Transport and Tourism has set as a policy target that the ratio of housing for the elderly to the elderly population shall be 4% in 2025. In order to accomplish this policy target, new supply of housing for the elderly for approximately 770,000 people (estimate) is required by 2025.

In this manner, as social demand is mounting for healthcare facilities – particularly, private nursing homes and other facilities for the elderly – and the enhancement of private nursing homes and other facilities for the elderly is one of the priority tasks even as a national policy, NHI will focus investment for the time being on private nursing homes and other facilities for the elderly among healthcare facilities and thereby seize opportunities to earn cash flows arising from the mounting social demand.

(B) Management Performance

In the 4th Fiscal Period (fiscal period ended April 2016), NHI acquired four properties (Alpha Living Okayama Nishigawa Ryokudokoen, Alpha Living Okayama Korakuen, Alpha Living Takamatsu Ekimae and Alpha Living Takamatsu Hyakkenmachi; sum total of acquisition price: 2,550 million yen) on November 24, 2015.

Concerning the properties held as of the end of the 4th Fiscal Period (April 30, 2016), the leasable floor area was 65,203.04m² and the occupancy rate was 100.0%.

(3) Overview of Capital Procurement

(A) Procurement of Funds for Acquisitions

In the 4th Fiscal Period, NHI implemented the following issuance of investment units and borrowing of funds for use as funds for acquisition, etc. of new properties and funds for an early repayment of loan.

(a) NHI implemented capital increases through public offering with payment on November 17, 2015, (number of investment units issued of 12,130 units, issue amount of 189,440 yen per unit and total amount of issue amount of 2,297,907,200 yen) capital increase through third-party allotment with payment on December 16, 2015, (number of investment units issued of 1,702 units, issue amount of 189,440 yen per unit and total amount of issue amount of 322,426,880 yen) as well as short-term borrowing of funds on November 24, 2015 from Mizuho Bank, Ltd. of 900 million yen based on a commitment-type term loan contract, for use as funds for acquisition, etc. of new properties that were acquired on November 24, 2015 (Alpha Living Okayama Nishigawa Ryokudokoen, Alpha Living Okayama Korakuen, Alpha Living Takamatsu Ekimae and Alpha Living Takamatsu Hyakkenmachi) and as part of funds for future acquisitions of specified assets.

(b) NHI conducted borrowing of funds on April 28, 2016 from Sumitomo Mitsui Trust Bank, Limited of 500 million yen in order to make early repayment on April 28, 2016 of 500 million yen out of the 900 million yen short-term loan borrowed from Mizuho Bank, Ltd. on November 24, 2015.

Furthermore, NHI made early repayment on February 29, 2016 of 400 million yen out of the 900 million yen short-term loan borrowed from Mizuho Bank, Ltd on November 24, 2015.

(B) Status of Interest-Bearing Liabilities

As a result of the above, the balance of interest-bearing liabilities outstanding at the end of the 4th Fiscal Period (as of April 30, 2016) totaled 9,300 million yen (all long-term loans payable), and the average remaining period at the end of the 4th Fiscal Period was 3.07 years.

In addition, none are due for repayment within one year after the end of the 4th Fiscal Period.

(4) Capital Expenditures During the Fiscal Period under Review

The following summarizes the main construction work that constitutes capital expenditures conducted during the 4th Fiscal Period. Capital expenditures for the 4th Fiscal Period amounted to 10 million yen and, when combined with the 20 million yen in repair expenses charged to 4th Fiscal Period expenses, totaled 30 million yen in construction work implemented.

Name of Property (Location)	Purpose	Period	Expenditure (millions of yen)
Sawayaka Kaikyokan (Kitakyushu-shi, Fukuoka)	Replacement of high voltage service cable	From: December 2015 To: December 2015	2
Sompo Care LAVIERE Hiroshima Hikarigaoka (Hiroshima-shi, Hiroshima)	Renovation work of slope in parking area for bicycles	From: April 2016 To: April 2016	2
Other		From: November 2015 To: April 2016	6
Total			10

(5) Overview of Financial Performance and Distributions

As a result of the management described above, NHI posted financial performance for the 4th Fiscal Period of 667 million yen in operating revenue, 290 million yen in operating income, 262 million yen in ordinary income and 261 million yen in net income.

Concerning distributions, to ensure that the amount equivalent to distributions from earnings would be included in the amount of tax-deductible expenses based on application of special provisions for taxation on investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957; including amendments thereto) (hereinafter referred to as the "Special Taxation Measures Act")), NHI decided to distribute the entire amount of unappropriated retained earnings, excluding fractions of the distribution amount per unit that are less than 1 yen. Accordingly, NHI declared a distribution amount per unit of 3,495 yen.

In addition, in principle, NHI adopts a policy of implementing cash distributions in excess of earnings uninterruptedly every fiscal period in accordance with the distribution policy set out in the articles of incorporation (Note). Based on this policy, NHI decided to distribute 59,705,600 yen, which is the amount roughly equivalent to 32% of the 187 million yen in depreciation for the 4th Fiscal Period, as reimbursement of investments in capital. Accordingly, NHI declared a distribution amount in excess of earnings per unit of 800 yen.

(Note) NHI adopts a policy of implementing uninterrupted distributions in excess of earnings (reimbursement of investments in capital) in an amount not to exceed 40% of depreciation in every accounting period within the scope that would not have adverse impact on the financial position of NHI after setting aside the cash and deposits that NHI deems appropriate, taking into account the status of establishment of lines of credit, etc., in order to meet affect long-term repair plans in light of the capital expenditures for each accounting period assumed based on the long-term repair plans and to meet needs for funds (new acquisition of investment assets, repairs and capital expenditures required to maintain and enhance portfolio assets, NHI's working capital, repayment of obligations, payout of distributions, etc.).
The six-month average amount of the sum total amount of emergency repair expenses, short-term repair expenses and long-term repair expenses stated in the engineering report by Tokio Marine & Nichido Risk Consulting Co., Ltd. and Assets Research and Development Inc. for all assets held as of the end of the 4th Fiscal Period (21 properties) is 28 million yen.

3. Future Management Policy and Tasks

(1) Investment Environment

Japan has the population of the elderly accounting for approximately one-quarter of the total population, and the population of the elderly is expected to continue to account for an increasingly greater proportion and the population of the elderly living alone is expected to continue to grow. With the development of medical technology, among other factors, the average life expectancy at birth for Japanese people is at 80.50 years for males and 86.83 years for females according to the Ministry of Health, Labour and Welfare's "Abridged Life Tables for Japan 2014," while record-highs were set in terms of the population aged 65 years or over at 34 million people and the proportion of the elderly population is at 26.8% of the total population of 127 million as of December 1, 2015 according to the Ministry of Internal Affairs and Communications' "Population Estimates" (announced on May 20, 2016).

According to the National Institute of Population and Social Security Research's "Population Projections for Japan (January 2012)," the total population will increase to 124 million people, the elderly population to 36 million people and the proportion of the elderly population to 29.1% in 2020 and then, while the total population will decrease by approximately 40 million people from that at present to 86 million people, the elderly population will reach 34 million people and the proportion of the elderly population to 39.9% in 2060.

To provide for future growth in demand for housing for the elderly, the Ministry of Land, Infrastructure, Transport and Tourism has set as a policy target that the ratio of housing for the elderly to the elderly population shall be 4% by 2025. In order to accomplish this policy target, new supply of housing for the elderly for approximately 770,000 people (estimate) is required by 2025.

In such an environment, there is recognized to be sufficient potential for greater development of housing for the elderly with nursing care services, etc. that are designed for the elderly to reside through effective utilization of private sector funds.

(2) Management Policy and Tasks

(A) Strategy for Managing Existing Properties

NHI implements the following measures to earn stable revenue and serve to maintain and enhance unitholder value.

(a) Stabilization of earnings

In principle, NHI shall invest in properties with the actual remaining lease contract period at the time of acquisition of 10 years or more, taking into account also the possibility of contract renewal. In view of lease agreements concluded between NHI or trustees and operators realizing conversion of expenses borne by operators into fixed rates and stabilization of earnings of NHI, the policy shall be to make the lease agreements of content that, in principle, operators pay a fixed amount of rent. The lease agreements with operators for the assets that NHI has acquired are all fixed-rent agreements.

(b) Criteria and methods for selecting operators

In the event of acquisition of healthcare facilities, not only the quality of the facilities as real estate, but also the creditworthiness, operational capabilities, etc. of the operators operating the facilities are regarded as important factors by NHI in realizing stable occupancy. This is because the operators being capable of providing services of a quality and type that matches the entrance fee, monthly service fee, etc. in order to be the residents' choice and the operators being capable of operating the facilities continuously are regarded as important factors in terms of also the profitability and asset value of healthcare facilities.

(c) Employment of "Backup Operator Membership"

NHI has concluded an agreement on backup of operational management with each and every operator of acquired assets. The main purpose of said agreement is that, in the event that a lease agreement for a healthcare facility held by NHI has ended or is expected to end due to contract termination, contract cancellation or other reason, where NHI requests the operator to operate the healthcare facility by conclusion of a new lease agreement with NHI or the trustee, the operator shall sincerely discuss the request. In addition, NHI shall consider concluding a similar agreement with also the operators of healthcare facilities to be acquired in the future. Such relationship by agreement with operators is referred to as "Backup Operator Membership."

(B) Investment Strategy for New Properties

NHI aims to realize stable external growth through not only leveraging the track record and network of the Asset Management Company, but also sourcing property information, etc. by working in collaboration with the sponsor group and adviser.

(a) Track record and network of the Asset Management Company

The Asset Management Company is striving for property acquisitions that utilize the wide range of property sourcing channels based on strong relationship building with various related parties (business companies, financial institutions, major real estate brokerage companies and real estate brokerage parties, etc.) accumulated through asset management of Daiwa Office Investment Corporation (balance of assets for which management is entrusted as of the end of May 2016: approximately 458.3 billion yen) and Daiwa Residential Private Investment Corporation (balance of assets for which management is entrusted as of the end of May 2016: approximately 84.5 billion yen). In addition, in order to expand and boost opportunities to acquire healthcare facilities in which NHI invests, the Asset Management Company has installed an investment team specializing in healthcare facilities and is promoting also the building of relationships with new suppliers and sources of property information (healthcare facility operators, developers, etc.) other than existing property sourcing channels to collect property information.

(b) Sourcing of property information, etc. by working in collaboration with the sponsor group

The Asset Management Company believes that leveraging the network of branches and clients possessed by the sponsor group, the Daiwa Securities Group, as needed will enable a search across Japan for operators that meet the selection criteria set forth by the Asset Management Company and consideration of the feasibility of collaboration in property acquisition and development, commissioning of facility operation, etc., and thinks that expansion of property acquisition opportunities can thus be expected.

(c) Sourcing of property information, etc. by working in collaboration with the adviser

The Asset Management Company has concluded an advisory agreement with AIP Healthcare Japan GK, which implements an investment strategy that has been focused on the healthcare sector (hospitals and nursing care facilities) since 2001 and has been engaged in investment specializing in private nursing homes and other facilities for the elderly since 2008. Based on this agreement, the Asset Management Company receives advice on information provision, management and operation of healthcare facilities that are the investment assets of NHI, collaboration with operators, etc. The Asset Management Company believes that this would contribute to realization of stable performance in the medium to long term of NHI.

In the 4th Fiscal Period (fiscal period ended April 2016), NHI acquired four properties (Alpha Living Okayama Nishigawa Ryokudokoen, Alpha Living Okayama Korakuen, Alpha Living Takamatsu Ekimae and Alpha Living Takamatsu Hyakkenmachi; sum total of acquisition price: 2,550 million yen) on November 24, 2015.

(C) Financial Strategy

NHI will procure and manage funds in accordance with the following policy in pursuit of realization of stable revenue and steady growth and efficient management of assets under management.

(a) Additional issuance of investment units

Additional issuance of investment units shall be implemented with agility, while comprehensively taking into account the timing of acquisition of real estate that are to be newly acquired, ratio of interest-bearing liabilities to total assets (hereinafter referred to as "LTV"), economic and market conditions, etc. and also taking into consideration the dilution of investment units.

(b) Borrowing of funds and issuance of investment corporation bonds

LTV shall be set at a level that takes heed of securing of financing capacity and, in principle, no higher than 60%. However, LTV may temporarily exceed 60% for such purposes as acquisition of new investment assets and reduction of refinancing risk.

In order to build a stable financial base and underpin future growth strategies, NHI shall not only establish a so-called main-bank system of having leading financial institutions as its main banks of account, but also make proactive efforts to diversify fund procurement sources through such means as borrowing from multiple lenders and issuing investment corporation bonds.

Funds shall be procured appropriately by negotiating with several financial institutions over borrowing costs, borrowing period, whether or not collateral is provided and other terms and conditions upon the borrowing of funds, and comprehensively considering the terms and conditions while taking into consideration the balance of interest rate trends, market level, financial agility and security, lender composition and other factors.

In order to reduce the risk of interest rate fluctuations and refinancing risk, NHI shall consider extending financing periods, converting interest rates to fixed rates, staggering repayment dates, introducing highly-flexible financial covenants, etc. as needed.

NHI shall consider securing committed, revolving or other lines of credit as needed for agile procurement of various required funds.

(c) Fund management

NHI shall retain at all times the cash and deposits that NHI deems appropriate, taking into account also the status of establishment of lines of credit, etc., in order to meet needs for funds (new acquisition of investment assets, repairs and capital expenditures required to maintain and enhance portfolio assets, NHI's working capital, repayment of obligations, payout of distributions, etc.).

NHI shall pursue efficient fund management whereby, of the amount equivalent to depreciation, the amount remaining after setting aside cash and deposits shall be allocated to implementing cash distributions in excess of earnings to unitholders uninterruptedly every fiscal period in an amount not to exceed 40% of depreciation in every accounting period, comprehensively taking into account NHI's surrounding economic environment and real estate market trends, the status of portfolio assets and financial status of NHI and other factors.

There may be cases where surplus funds will be invested into securities and monetary claims that are highly secure and liquid.

Derivative transactions (Article 2, Paragraph 6 of the Investment Trusts Act) shall be limited to those managed for the purpose of hedging the risk of fluctuations in interest rates on the liabilities of NHI.

(D) Schedule of Capital Expenditures

The following summarizes the main capital expenditures in line with currently planned construction works for renovation, etc. Furthermore, the scheduled construction amounts include portions that will be charged as expenses in terms of accounting.

Name of Property (Location)	Purpose	Estimated Period	Estimated Cost (millions of yen)		
			Total	Payment for the current period	Cumulative amount paid
Charm Suite Ryokuchi Koen (Toyonaka-shi, Osaka)	Upgrade water heater for bathroom	From: October 2016 To: October 2016	9	-	-
Silver Heights Hitsujigaoka No.3 (Sapporo-shi, Hokkaido)	Replacement of batteries for guide light and emergency light	From: October 2016 To: October 2016	4	-	-
Sawayaka Kaikyokan (Kitakyushu-shi, Fukuoka)	Construction work on rooftop drain pan	From: October 2016 To: October 2016	1	-	-

IV. Balance Sheets

As of April 30, 2016 and October 31, 2015

(Thousands of yen)

	As of April 30, 2016	As of October 31, 2015
Assets		
Current Assets:		
Cash and cash equivalents [Notes 3, 4 and 5]	1,601,495	965,199
Consumption tax refundable	2,191	2,069
Prepaid expenses	15,342	19,142
Deferred tax assets [Note 13]	15	14
Other current assets	378	874
Total Current Assets	1,619,421	987,298
Investment Properties, at cost: [Notes 4, 6 and 7]		
Land in trust accounts	7,528,825	6,504,957
Buildings and structures in trust accounts	12,189,211	10,474,057
Tools, furniture and fixtures in trust accounts	3,915	1,325
Construction in progress including trust accounts	-	1,910
Less: accumulated depreciation	(570,714)	(383,629)
Leasehold rights in trust accounts	40,886	40,886
Total Investment Properties, net	19,192,123	16,639,506
Other Assets:		
Right of trademark	177	188
Software	2,585	2,952
Lease and guarantee deposits in trust	10,000	10,000
Long-term prepaid expenses	23,578	26,636
Total Other Assets	36,340	39,776
Total Assets	20,847,884	17,666,580

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

(Thousands of yen)

	As of April 30, 2016	As of October 31, 2015
Liabilities		
Current Liabilities:		
Operating accounts payable	23,862	16,385
Accounts payable – other	57,957	98,115
Income taxes payable	910	896
Rent received in advance	74,027	69,127
Deposits received	303	598
Other current liabilities	1,640	870
Total Current Liabilities	158,699	185,991
Long-Term Liabilities:		
Long-term debt [Notes 4, 5 and 10]	9,300,000	8,800,000
Tenant security deposits including trust accounts [Note 5]	719,884	645,231
Total Long-Term Liabilities	10,019,884	9,445,231
Total Liabilities	10,178,583	9,631,222
Net Assets [Notes 9 and 14]		
Unitholders' Equity:		
Unitholders' capital	10,504,334	7,884,000
Deduction from unitholders' capital	(95,942)	(49,248)
Unitholders' capital, net	10,408,392	7,834,752
Units authorized: 10,000,000 units		
Units issued and outstanding: 74,632 units as of April 30, 2016 and 60,800 units as of October 31, 2015		
Retained earnings	260,909	200,606
Total Unitholders' Equity	10,669,301	8,035,358
Total Net Assets	10,669,301	8,035,358
Total Liabilities and Net Assets	20,847,884	17,666,580

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

V. Statements of Income

For the six months ended April 30, 2016 and October 31, 2015

(Thousands of yen)

	For the six months ended April 30, 2016	For the six months ended October 31, 2015
Operating Revenues and Expenses		
Operating Revenues:		
Rental revenues [Note 8]	667,161	555,589
Total Operating Revenues	667,161	555,589
Operating Expenses:		
Property-related expenses [Note 8]	258,085	208,266
Asset management fees	58,122	49,037
Asset custody fees	630	554
Administrative service fees	8,595	8,163
Trust fees	6,252	4,909
Directors' compensation	3,600	3,600
Audit fees	6,000	4,400
Other operating expenses	36,203	51,729
Total Operating Expenses	377,487	330,658
Operating Income	289,674	224,931
Non-Operating Revenues and Expenses		
Non-Operating Revenues:		
Interest income	34	26
Other non-operating revenues	2	4
Total Non-Operating Revenues	36	30
Non-Operating Expenses:		
Interest expense	21,447	18,013
Borrowing expenses	5,784	5,391
New Investment units issuance costs	682	-
Other non-operating expenses	-	61
Total Non-Operating Expenses	27,913	23,465
Ordinary Income	261,797	201,496
Income Before Income Taxes	261,797	201,496
Income taxes – current	915	901
Income taxes – deferred	(0)	(0)
Total Income Taxes [Note 13]	915	901
Net Income	260,882	200,595
Retained Earnings Brought Forward	27	11
Retained Earnings at End of Period	260,909	200,606

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

VI. Statements of Changes in Net Assets

For the six months ended April 30, 2016

(Thousands of yen)

	Number of Units	Unitholders' Capital	Deduction from Unitholders' Capital	Unitholders' Capital, Net	Retained Earnings	Total
Balance as of October 31, 2015	60,800	7,884,000	(49,248)	7,834,752	200,606	8,035,358
Issuance of new investment units	13,832	2,620,334	-	2,620,334	-	2,620,334
Distributions in excess of retained earnings	-	-	(46,694)	(46,694)	-	(46,694)
Distributions of earnings	-	-	-	-	(200,579)	(200,579)
Net income	-	-	-	-	260,882	260,882
Balance as of April 30, 2016	74,632	10,504,334	(95,942)	10,408,392	260,909	10,669,301

For the six months ended October 31, 2015

(Thousands of yen)

	Number of Units	Unitholders' Capital	Deduction from Unitholders' Capital	Unitholders' Capital, Net	Retained Earnings	Total
Balance as of April 30, 2015	60,800	7,884,000	-	7,884,000	161,799	8,045,799
Distributions in excess of retained earnings	-	-	(49,248)	(49,248)	-	(49,248)
Distributions of earnings	-	-	-	-	(161,788)	(161,788)
Net income	-	-	-	-	200,595	200,595
Balance as of October 31, 2015	60,800	7,884,000	(49,248)	7,834,752	200,606	8,035,358

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

VII. Statements of Cash Flows

For the six months ended April 30, 2016 and October 31, 2015

(Thousands of yen)

	For the six months ended April 30, 2016	For the six months ended October 31, 2015
Cash Flows from Operating Activities:		
Income before income taxes	261,797	201,496
Depreciation and amortization	187,463	152,155
New investment units issuance costs	682	-
Interest expense	21,447	18,013
Increase (Decrease) in accounts payable	(14,263)	37,256
Increase (Decrease) in rent received in advance	4,900	15,092
Cash payments of interest expense	(21,330)	(17,902)
(Increase) Decrease in consumption taxes refundable	(122)	1,072
Other, net	8,040	(11,724)
Net Cash Provided by Operating Activities	448,614	395,458
Cash Flows from Investing Activities:		
Payments for purchases of investment properties	(2,760,003)	(3,007,609)
Proceeds from tenant security deposits	74,653	66,108
Net Cash Used in Investing Activities	(2,685,350)	(2,941,501)
Cash Flows from Financing Activities:		
Proceeds from short-term debt	900,000	-
Repayment of short-term debt	(900,000)	-
Proceeds from long-term debt	500,000	2,400,000
Proceeds from issuance of new investment units	2,619,653	-
Payments of distributions of earnings	(200,064)	(161,240)
Payments of distributions in excess of retained earnings	(46,557)	(49,038)
Net Cash Provided by Financing Activities	2,873,032	2,189,722
Net Change in Cash and Cash Equivalents	636,296	(356,321)
Cash and Cash Equivalents at Beginning of Period	965,199	1,321,520
Cash and Cash Equivalents at End of Period (Note 3)	1,601,495	965,199

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

VIII. Notes to Financial Statements

For the six months ended April 30, 2016 and October 31, 2015

Note 1 – Organization and Basis of Presentation

Organization

Nippon Healthcare Investment Corporation (hereinafter referred to as “NHI”) was established on January 7, 2014 as an investment corporation under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, including subsequent revisions, hereinafter referred to as the “Investment Trust Act”) by the founder (Daiwa Real Estate Asset Management (hereinafter referred to as “DREAM”).

NHI is an externally managed real estate fund, established as an investment corporation. DREAM, as NHI’s asset management company, is engaged in acquiring, managing, leasing, and renovating healthcare facilities. Daiwa Securities Group Inc. currently owns 100% of DREAM.

On November 4, 2014, NHI had raised 5,616,000 thousand yen through an initial public offering of units. Those units were listed on the J-REIT section of the Tokyo Stock Exchange.

As of April 30, 2016, NHI had trust beneficiary interests in 21 healthcare facilities with approximately 65,203 square meters of healthcare facilities space and had leased space to 21 tenants. The occupancy rate for the healthcare facilities was 100%.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with the provisions set forth in the Investment Trust Act, the Financial Instruments and Exchange Act and their related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards or accounting principles generally accepted in the United States of America.

The accompanying financial statements have been reformatted and translated into English from the financial statements of NHI prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Act. In preparing the accompanying financial statements, relevant notes have been expanded and certain reclassifications have been made from the Japanese GAAP financial statements. Certain supplementary information included in the statutory Japanese GAAP financial statements, but not required for fair presentation, is not presented in the accompanying financial statements.

NHI maintains its accounting records in Japanese yen.

Note 2 – Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents consist of cash, demand deposits, and short-term investments which are highly liquid, readily convertible to cash and with insignificant risk of market value fluctuation, with maturities of three months or less from the date of acquisition.

Investment Properties

Investment properties are recorded at cost, which includes the allocated purchase price, related costs and expenses for acquisition of the properties. Property and equipment balances are depreciated using the straight-line method over the estimated useful lives. The estimated useful lives of the principal tangible fixed assets (including assets held in trust) are as follows:

	As of April 30, 2016	As of October 31, 2015
Buildings and structures	4-58 years	4-58 years
Tools, furniture and fixtures	3-10 years	6 years

Costs related to the renovation, construction and improvement of properties are capitalized. Expenditures for repairs and maintenance which do not add to the value of a property or prolong its useful life are expensed as incurred.

New Investment Units Issuance Costs

The issuance costs of investment units are expensed when incurred.

Income Taxes

Income taxes are accounted for on the basis of income for financial statement purposes. The tax effect of temporary differences between the amounts of assets and liabilities for financial statements and for income tax purposes is recognized as deferred taxes.

Real Estate Taxes

Real estate taxes are imposed on properties on a calendar year basis and expensed when incurred. In terms of newly purchased properties, NHI capitalizes a portion of the real estate taxes that relate to a period from the purchase date of each property until the end of the calendar year as part of the acquisition cost of the relevant property. Capitalized real estate taxes amounted to 1,345 thousand yen for the six months ended April 30, 2016 and 6,877 thousand yen for the six months ended October 31, 2015.

Consumption Taxes

Consumption taxes are excluded from transaction amount.

Non-deductible consumption taxes on acquisition of assets are included in the acquisition costs of the relevant asset.

Hedge Accounting

NHI conducts derivative transactions in order to hedge against risks defined in its Articles of Incorporation based on its risk management policy. NHI utilizes derivative financial instruments such as interest-rate swap agreements only for the purpose of hedging its exposure to changes in interest rates. NHI deferred recognition of gains or losses resulting from changes in fair value of interest-rate swap agreements because its interest-rate agreements met the criteria for deferral hedging accounting.

However, NHI applies special treatment to the interest-rate swap agreements that meet the criteria for such special treatment. Under the special treatment, interest-rate swaps are not remeasured at fair value: instead, the net amount paid or received under the interest-rate swap agreements is recognized and included in interest expense. The hedge effectiveness for interest-rate swap agreements is assessed each fiscal period except for those that meet the criteria of special treatment.

Revenue Recognition

Operating revenues consist of fixed rental revenues, which are recognized on an accrual basis over the life of each lease.

Accounting Treatment of Beneficiary Interests in Trust Assets Including Real Estate

For trust beneficiary interests in real estate, all accounts of assets and liabilities within assets in trust, as well as all income generated and expenses incurred from assets in trust, are recorded in the relevant balance sheet and income statement accounts.

Note 3 – Cash and Cash Equivalents

Cash and cash equivalents stated on the accompanying balance sheets and statements of cash flows as of April 30, 2016 and October 31, 2015 consisted of the following:

	As of April 30, 2016	As of October 31, 2015
Cash and deposits	1,193,868	550,649
Cash and deposits in trust	407,627	414,550
Cash and cash equivalents	1,601,495	965,199

Note 4 – Pledged Assets and Secured Liabilities

The carrying amount of assets pledged as collateral and the secured liabilities as of April 30, 2016 and October 31, 2015 were as follows:

	As of April 30, 2016	As of October 31, 2015
Assets pledged:		
Cash and cash equivalents	407,627	414,550
Land in trust accounts	7,528,825	6,504,957
Buildings and structures in trust accounts	11,618,751	10,090,461
Tools, furniture and fixtures in trust accounts	3,661	1,292
Leasehold rights in trust accounts	40,886	40,886
Total	19,599,750	17,052,146
Secured liabilities:		
Long-term debt	9,300,000	8,800,000
Total	9,300,000	8,800,000

Note 5 – Financial Instruments

(For the six months ended April 30, 2016 and October 31, 2015)

(1) Status of Financial Instruments

(A) Policy for financial instruments

NHI procures funds through various financing methods (such as borrowings, issuance of investment units) for acquisition and renovation of investment properties, payments of dividends and reimbursement of bank borrowings.

In financing through interest-bearing debt, to secure stable financing capacity and reduce future risk of rising interests, NHI secures long-term fixed-rate borrowings with well-diversified maturities.

NHI manages surplus funds with safe and highly liquid money claims and securities (in principle, deposits).

Derivative transactions are conducted only for the purpose of reducing risk of future interest rate fluctuations.

(B) Types and risks of financial instruments and related risk management system

Proceeds from debt financing are used mainly for acquisition of investment properties. While these debts are exposed to liquidity risk upon repayment, NHI manages the risk by maintaining the LTV ratio at low levels, diversifying maturities, keeping the ratio of long-term debt to total debt at high levels, and diversifying lenders with particular focus on domestic financial institutions. Bank borrowings with floating interest rates are exposed to the risk of future interest rate fluctuations and NHI manages that by using derivative transactions such as interest-rate swap agreements.

NHI evaluates the effectiveness of hedges by comparing the accumulated cash-flow changes of hedged items and that of hedging items, and then verifies the ratio of both amounts of changes. Furthermore, NHI omits assessment of hedge effectiveness for the interest-rate swap agreements which meet the criteria of special treatment.

Execution and management of derivative transactions have been carried out based on the regulations defined in the basic policy of risk management.

Tenant security deposits represent funds deposited by tenants, and NHI is exposed to the risk of refunding deposits in the event that a tenant terminates the contract. However, such risk is limited by reserving some parts of the funds.

Deposits are used for investing NHI's surplus funds. These deposits are exposed to credit risks such as bankruptcy of the depository financial institutions. NHI manages credit risk by restricting the tenor of the deposit relatively short and setting a minimum credit rating requirement for the depository financial institutions.

(C) Supplementary explanation for fair value of financial instruments

The fair value of financial instruments is based on their quoted market price, if applicable. When there is no quoted market price available, fair value is reasonably estimated. As certain assumptions are used for the estimation of fair value, the result of such estimation may differ if different assumptions are used. Also, the contractual amounts of derivative transactions do not represent the market risk involved in these derivative transactions.

(2) Estimated Fair Value of Financial Instruments

The book value, fair value and difference between the two as of April 30, 2016 and October 31, 2015 are as follows. The financial instruments whose fair value is extremely difficult to estimate are excluded from the following table.

(As of April 30, 2016)

(Thousands of yen)

	Book Value	Fair Value	Difference
Cash and cash equivalents	1,601,495	1,601,495	–
Total	1,601,495	1,601,495	–
Long-term debt	9,300,000	9,363,560	63,560
Total	9,300,000	9,363,560	63,560
Derivative transactions	–	–	–

(As of October 31, 2015)

(Thousands of yen)

	Book Value	Fair Value	Difference
Cash and cash equivalents	965,199	965,199	–
Total	965,199	965,199	–
Long-term debt	8,800,000	8,789,863	(10,137)
Total	8,800,000	8,789,863	(10,137)
Derivative transactions	–	–	–

Notes:

1. Methods to estimate fair value of financial instruments and derivative transactions

Assets

(1) Cash and cash equivalents

As these instruments are settled in short period of time, their fair value and book value are nearly identical. Therefore, for these items, the book value is assumed as the fair value.

Liabilities

(1) Long-term debt

For long-term debt with floating interest rates, their fair value and book value are nearly identical and there are no significant changes in NHI's credit risk after borrowing. Therefore, for these items, their book value is assumed as their fair value. For long-term debt with fixed interest rates, their fair value is based on the present value of principle and interest cash flows discounted at the current interest rate estimated to be applied if similar new debt is entered into. However, the fair value of certain floating-rate long term debt that qualifies for the special treatment of interest-rate swaps is determined by discounting the sum of its principal and interest payments net of any cash flows from the interest-rate swaps.

Derivative Transactions

(1) Derivatives to which hedge accounting is applied

(As of April 30, 2016)

(Thousands of yen)

Method of Hedge Accounting	Type of Derivative Transactions	Hedged Items	Contract Amount (due after one year)	Fair Value(*)
Special treatment for interest rate swap transactions	Interest rate swap transactions Receive floating and pay fixed	Long-term debt	7,800,000 (7,800,000)	–(**)
Total			7,800,000 (7,800,000)	–

(As of October 31, 2015)

(Thousands of yen)

Method of Hedge Accounting	Type of Derivative Transactions	Hedged Items	Contract Amount (due after one year)	Fair Value(*)
Special treatment for interest rate swap transactions	Interest rate swap transactions Receive floating and pay fixed	Long-term debt	7,800,000 (7,800,000)	–(**)
Total			7,800,000 (7,800,000)	–

*The fair value is provided by the financial institution.

**The values of derivatives qualifying for special treatment of interest rate swap transactions are included in that of related long-term debt. This is because such swaps are handled together with hedged long-term debt.

2. Financial instruments whose fair value is extremely difficult to estimate

Tenant security deposits including trust accounts (with a book value of 719,884 thousand yen as of April 30, 2016 and 645,231 thousand yen as of October 31, 2015) that have been deposited from tenants are not marketable and the actual deposit period cannot be reliably determined, thus making it impossible to reasonably estimate their future cash flows, and therefore, it is considered to be extremely difficult to estimate their fair value.

3. Redemption schedule for money claims

(As of April 30, 2016)

(Thousands of yen)

	Due within 1 year	Due after 1 to 2 years	Due after 2 to 3 years	Due after 3 to 4 years	Due after 4 to 5 years	Due after 5 years
Cash and cash equivalents	1,601,495	–	–	–	–	–
Total	1,601,495	–	–	–	–	–

(As of October 31, 2015)

(Thousands of yen)

	Due within 1 year	Due after 1 to 2 years	Due after 2 to 3 years	Due after 3 to 4 years	Due after 4 to 5 years	Due after 5 years
Cash and cash equivalents	965,199	–	–	–	–	–
Total	965,199	–	–	–	–	–

4. Redemption schedule for long-term debt

(As of April 30, 2016)

(Thousands of yen)

	Due within 1 year	Due after 1 to 2 years	Due after 2 to 3 years	Due after 3 to 4 years	Due after 4 to 5 years	Due after 5 years
Long-term debt	–	1,800,000	2,100,000	3,400,000	2,000,000	–
Total	–	1,800,000	2,100,000	3,400,000	2,000,000	–

(As of October 31, 2015)

(Thousands of yen)

	Due within 1 year	Due after 1 to 2 years	Due after 2 to 3 years	Due after 3 to 4 years	Due after 4 to 5 years	Due after 5 years
Long-term debt	–	1,800,000	2,100,000	2,900,000	2,000,000	–
Total	–	1,800,000	2,100,000	2,900,000	2,000,000	–

Note 6 – Schedule of Tangible Fixed Assets of Investment Properties

Investment properties as of April 30, 2016 and October 31, 2015 consisted of the following:

(Thousands of yen)

	As of April 30, 2016			As of October 31, 2015		
	Acquisition costs	Accumulated depreciation	Book value	Acquisition costs	Accumulated depreciation	Book value
Land in trust accounts	7,528,825	–	7,528,825	6,504,957	–	6,504,957
Buildings and structures in trust accounts	12,189,211	(570,460)	11,618,751	10,474,057	(383,596)	10,090,461
Tools, furniture and fixtures in trust accounts	3,915	(254)	3,661	1,325	(33)	1,292
Construction in progress including trust accounts	–	–	–	1,910	–	1,910
Total	19,721,951	(570,714)	19,151,237	16,982,249	(383,629)	16,598,620

Note 7 – Investment and Rental Properties

NHI owns fee-based homes for the elderly, etc. (including land) in the three major metropolitan areas and core cities. The book value, net change in the book value and the fair value of the investment and rental properties are as follows:

(For the six months ended April 30, 2016)

(Thousands of yen)

Book Value			Fair value as of April 30, 2016
As of October 31, 2015	Change during the period(*1)	As of April 30, 2016	
16,637,596	2,554,527	19,192,123	23,215,000

(For the six months ended October 31, 2015)

(Thousands of yen)

Book Value			Fair value as of October 31, 2015
As of April 30, 2015	Change during the period(*2)	As of October 31, 2015	
13,760,949	2,876,647	16,637,596	20,410,000

(Note 1) The book value represents the acquisition costs less accumulated depreciation.

(Note 2) Significant changes

(*1) For the six months ended April 30, 2016, the major reason of increase is acquisition of four properties (2,550,000 thousand yen). The major reason of decrease is depreciation (187,085 thousand yen).

(*2) For the six months ended October 31, 2015, the major reason of increase is acquisition of three properties (2,778,000 thousand yen). The major reason of decrease is depreciation (151,777 thousand yen).

(Note 3) The fair values as of April 30, 2016 and October 31, 2015 represent the sum of appraisal values estimated by external real estate appraisers.

Income and loss from investment and rental properties for the six months ended April 30, 2016 and October 31, 2015 are disclosed in Note 8.

Note 8 – Rental Revenues and Expenses

Rental revenues and expenses for the periods ended April 30, 2016 and October 31, 2015 were as follows:

(Thousands of yen)

	For the six months ended April 30, 2016	For the six months ended October 31, 2015
A. Revenues from property leasing		
Rental revenues	667,161	555,589
Total revenues from property leasing	667,161	555,589
B. Property-related expenses		
Consignment expenses	11,575	9,821
Taxes and dues	36,901	30,608
Non-life insurance expenses	1,484	1,185
Repair expenses	19,494	13,675
Depreciation	187,085	151,777
Leasehold fees	1,200	1,200
Other property-related expenses	346	-
Total property-related expenses	258,085	208,266
C. Operating income from property leasing [A – B]	409,076	347,323

Note 9 – Net Assets

NHI issues only non-par value units in accordance with the Investment Trust Act and all of the issue prices of new units are designated as stated capital. NHI maintains at least 50,000 thousand yen as the minimum amount of net assets, as required by the Investment Trust Act.

Note 10 – Long-Term Debt

Long-term debt as of April 30, 2016 and October 31, 2015 consisted of the following:

(Thousands of yen)

	As of April 30, 2016	As of October 31, 2015
Secured loans due 2017 to 2020, principally from banks and insurance companies with interest rates mainly ranging from 0.3% to 0.5%	9,300,000	8,800,000
Total	9,300,000	8,800,000

[Note] The interest rate presented is the spot rate as of April 30, 2016. As for long-term debts which were hedged by interest-rate swaps for the purpose of avoiding interest rate fluctuation risk, the swapped interest rates are used.

The annual maturities of long-term debt as of April 30, 2016 were as follows:

	(Thousands of yen)
Due within one year	-
Due after one to two years	1,800,000
Due after two to three years	2,100,000
Due after three to four years	3,400,000
Due after four to five years	2,000,000
Due after five years	-

Note 11 – Leases

As Lessor

The future minimum rental revenues under existing non-cancelable operating leases as of April 30, 2016 and October 31, 2015 were as follows:

	(Thousands of yen)	
	As of April 30, 2016	As of October 31, 2015
Due within one year	1,256,418	1,162,805
Due after one year	12,572,103	11,845,138
Total	13,828,521	13,007,943

Note 12 – Commitment-Type Term Loans

NHI has entered into credit facilities in the form of commitment-type term loan agreements with one bank as of October 31, 2015 as follows:

	(Thousands of yen)	
	As of April 30, 2016	As of October 31, 2015
Total amount of commitment-type term loans	-	1,200,000
Borrowing execution balance	-	-
Net unused balance	-	1,200,000

NHI had no credit facilities in the form of commitment-type term loan agreements as of April 30, 2016.

Note 13 – Income Taxes

NHI is subject to income taxes in Japan. The effective tax rate on NHI's income based on applicable Japanese tax law was estimated as 0.35% for the six months ended April 30, 2016 and 0.45% for the six months ended October 31, 2015. The following table summarizes the significant differences between the statutory tax rates and NHI's effective tax rates for financial statement purposes.

	For the six months ended April 30, 2016	For the six months ended October 31, 2015
Statutory tax rate	32.31%	32.31%
Deductible dividends	(32.19)	(32.16)
Others	0.23	0.30
Effective tax rate	0.35%	0.45%

NHI was established as an investment corporation under the Investment Trust Act, and as long as an investment corporation distributes to its unitholders at least 90% of earnings available for dividends for a period and other requirements prescribed in the Special Taxation Measures Law of Japan are met, the investment corporation is allowed to deduct the total amount of dividends, excluding distribution in excess of earnings, in calculating its taxable income under Japanese tax regulations.

The significant components of deferred tax assets and liabilities as of April 30, 2016 and October 31, 2015 were as follows:

	(Thousands of yen)	
	As of April 30, 2016	As of October 31, 2015
Deferred tax assets:		
Accrued enterprise tax	15	14
Total deferred tax assets	15	14
Net deferred tax assets	15	14

With the Act on Partial Revision of the Income Tax Act, etc. (Act No. 15 of 2016) was enacted in the Diet session on March 29, 2016, the corporate tax rate has been changed, effective for accounting periods starting on and after April 1, 2016. In accordance with this revision, the statutory tax rate used to calculate the deferred tax assets and liabilities concerning the temporary differences, etc. expected to be reversed in the 5th Fiscal Period ending October 2016 and 6th Fiscal Period ending April 2017 has been changed to 31.74%. The effect of this change in the tax rate was immaterial.

Note 14 – Per Unit Information

Information about net assets per unit and net income per unit as of April 30, 2016 and October 31, 2015 and for the periods then ended were as follows. The computation of net income per unit is based on the daily weighted average number of units outstanding during the period. The computation of net assets per unit is based on the number of units outstanding at each period end.

	For the six months ended April 30, 2016	For the six months ended October 31, 2015
Net assets at period end per unit	142,958yen	132,160yen
Net income per unit	3,566yen	3,299yen

Net income per unit is calculated by dividing the net income by the daily weighted average number of investment units issued and outstanding. The diluted net income per unit is not stated as there are no diluted investment units.

(Note) The basis for calculating the net income per unit is as follows.

	For the six months ended April 30, 2016	For the six months ended October 31, 2015
Net income (thousands of yen)	260,882	200,595
Amount not available to ordinary unitholders (thousands of yen)	–	–
Net income available to ordinary unitholders (thousands of yen)	260,882	200,595
Average number of units during the period (units)	73,144	60,800

Note 15 – Distribution

In accordance with the cash distribution policy described in Article 33-1-1 of the Articles of Incorporation of NHI, NHI determines that the amount of distribution shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Special Taxation Measures Law, and shall be up to its earnings as the maximum amount. Following this policy, NHI has decided that it shall distribute 260,838,840 yen for the fiscal period ended April 2016, which is the maximum integral multiple to 74,632 units issued and outstanding as the distribution of earnings, and 200,579,200 yen for the fiscal period ended October 2015, which is the maximum integral multiple to 60,800 units. In addition, NHI will continue to make distributions in excess of earnings (refund of capital contribution to unitholders) every period in accordance with the cash distribution policy described in Article 33-1-2 of the Articles of Incorporation of NHI. Based on the policy, NHI has decided that it shall distribute 59,705,600 yen, which is calculated as the approximate equivalent of 32% of 187,085,173 yen of the depreciation amount posted for the fiscal period ended April 2016, as distributions in excess of earnings (refund of capital contribution to unitholders) and 46,694,400 yen for the fiscal period ended October 2015, which is calculated as the approximate equivalent of 31% of 151,776,702 yen of the depreciation amount posted for the fiscal period ended October 2015.

(Yen)

	For the six months ended April 30, 2016		For the six months ended October 31, 2015	
	Total	Per unit	Total	Per unit
Unappropriated retained earnings	260,908,644		200,605,559	
Distributions in excess of retained earnings Deduction from unit holders' capital	59,705,600		46,694,400	
Distributions				
Distributions of retained earnings	260,838,840	3,495	200,579,200	3,299
Distributions in excess of retained earnings	59,705,600	800	46,694,400	768
Total distributions	320,544,440	4,295	247,273,600	4,067
Retained earnings brought forward	69,804		26,359	

Note 16 – Transactions with Related Parties

(For the six months ended April 30, 2016)

Classification	Subsidiary of major unitholder
Name of company, etc.	DA Healthcare Alpha LLC
Location	Minato-ku, Tokyo
Capital stock (thousands of yen)	300
Business description	Real estate business
Percentage of voting rights, etc. held by related party (held in NHI)	–
Relation to the related party	Interested party
Nature of transaction	Acquisition of trust beneficiary interests in real estate (Note 1, 2 and 3)
Amount of transaction (thousands of yen)	2,550,000
Account	–
Balance at end of period (thousands of yen)	–

Consumption taxes are not included in transaction amounts.

(Note 1) Acquisition of trust beneficiary interests in real estate mentioned above is for Alpha Living Okayama Nishigawa Ryokudokoen, Alpha Living Okayama Korakuen, Alpha Living Takamatsu Ekimae and Alpha Living Takamatsu Hyakkenmachi, and the amount of transaction indicates the amount (purchasing amount for real estate, etc. indicated in the sales contract for trust beneficiary interests) that does not include expenses (taxes and dues, etc.) required for the acquisitions of the real estate, etc.

(Note 2) Terms of transaction with interested party are decided based on rules against conflict of interest, which are internal rules of the Asset Management Company.

(Note 3) Terms of transaction are determined based on market prices.

(For the six months ended October 31, 2015)

No related-party transaction was entered into for the six months ended October 31, 2015

Note 17 – Segment Information

For the six months ended April 30, 2016 and October 31, 2015

Segment Information

Segment information has been omitted as NHI has only one segment, which is the property leasing business.

Related Information

Information about Products and Services

Disclosure of this information has been omitted as operating revenues to external customers for a single product/service category account for more than 90% of the operating revenues on the statements of income and retained earnings.

Information about Geographic Areas

(1) Operating revenues

Disclosure of this information has been omitted as domestic operating revenues account for more than 90% of total operating revenues.

(2) Investment properties

Disclosure of this information has been omitted as domestic investment properties account for more than 90% of the book value of the total investment properties.

Information about Major Tenants

Disclosure of this information has been omitted as there is no tenant that accounts for 10% or more of the operating revenues recorded in the statements of income and retained earnings.

Note 18 – Significant Subsequent Events

None applicable.

Independent Auditor's Report

To the Board of Directors of
Nippon Healthcare Investment Corporation

We have audited the accompanying financial statements of Nippon Healthcare Investment Corporation (a Japanese Real Estate Investment Trust), which comprise the balance sheets as at April 30, 2016 and October 31, 2015, and the statements of income, statements of changes in net assets and statements of cash flows for each of the six months periods then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nippon Healthcare Investment Corporation as at April 30, 2016 and October 31, 2015, and their financial performance and cash flows for each of the six months periods then ended in accordance with accounting principles generally accepted in Japan.

KPMG AZSA LLC

July 22, 2016
Tokyo, Japan

KPMG AZSA LLC, a limited liability audit corporation incorporated under the Japanese Certified Public Accountants Law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Sompo Care Next operates 117 nursing homes nationwide



Sompo Care LAVIER Sagamihara Chuo

Nursing home with full range rehabilitation/dementia care surrounded by greenery in the center of Sagamihara.

Owned by
Nippon
Healthcare
Investment
Corporation

Location | 3-6-3 Chuo, Chuo-ku, Sagamihara-shi, Kanagawa, 252-0239
Nearest station | Approximately 1.2km from Sagamihara Station on JR Yokohama Line



Sompo Care LAVIER Kinugasayama Koen

Scenic area with one of the most famous cherry blossom viewing spots on the Miura Peninsula. A luxurious life admiring the beauty of spring and fall sceneries starts here.

Owned by
Nippon
Healthcare
Investment
Corporation

Location | 4-8-15 Koyabe, Yokosuka-shi, Kanagawa, 238-0026
Nearest station | Approximately 1.2km from Kinugasa Station on JR Yokosuka Line

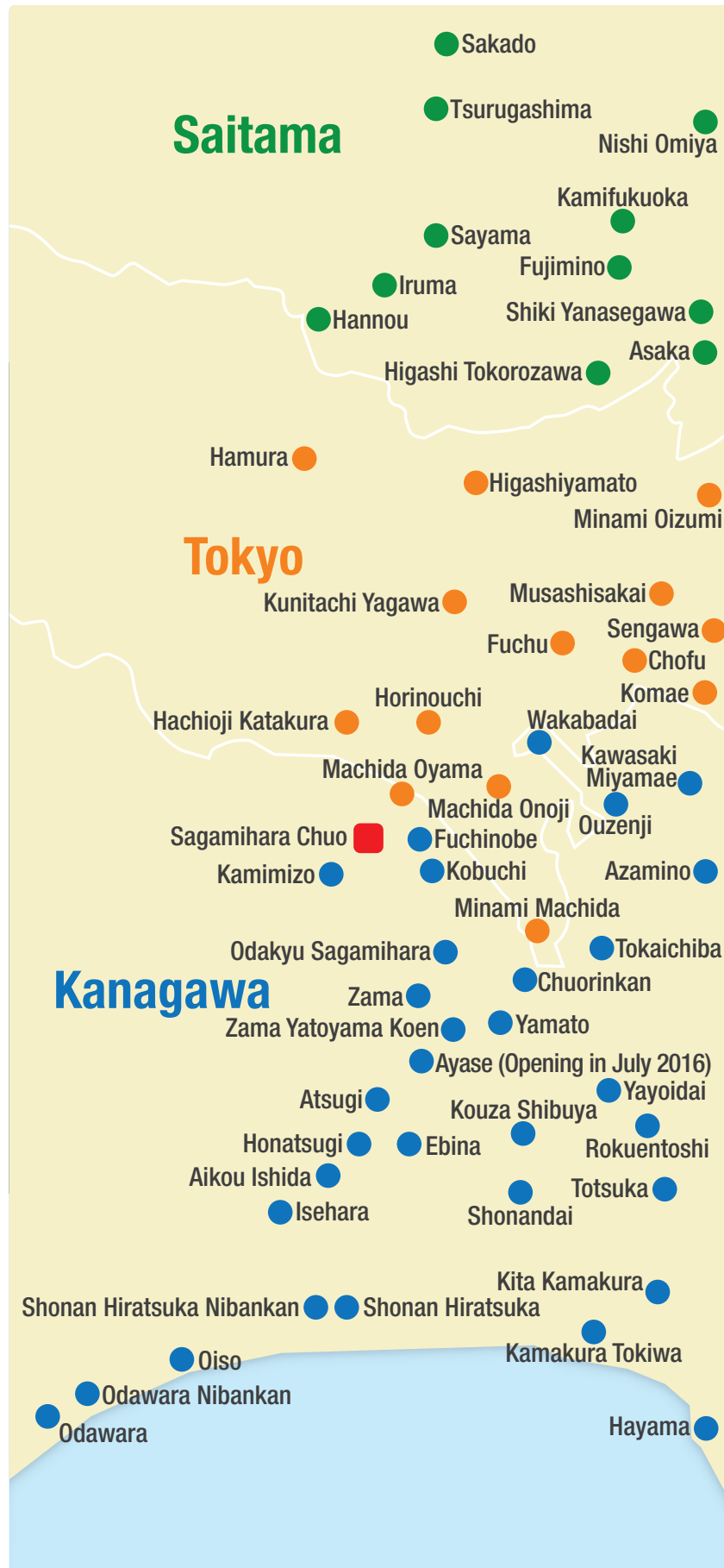


Sompo Care LAVIER Hiroshima Hikarigaoka

View from 100m above sea level. Peaceful life filled with sunlight in all seasons overlooking the city of Hiroshima and the ocean.

Owned by
Nippon
Healthcare
Investment
Corporation

Location | 2-40 Hikarigaoka, Higashi-ku, Hiroshima-shi Hiroshima, 732-0051
Nearest station | 14-minute walk from Hiroshima Station on JR Sanyo Main Line



List of Nursing Homes

focusing on fee-based homes for the elderly with nursing care

[as of July 1, 2016]



List of Nursing Homes

Working to assure every day is filled with smiles for each resident

Reliable services are provided in every scene, including meals and nutrition guidance supported by professionals, a dependable medical care system, comfortable living space and fun activities.

With the residents as the focus of services, multifaceted nursing care that is not available with individual care is offered.



Feature on Nursing Homes

Feature 1 Team care that assures “continuing peace of mind”

Our home focuses on medical cooperation with close communication among those in charge of medicine, nursing and care. While staff members keep an eye on even small changes in the resident’s physical and mental conditions on a day-to-day basis, care managers, nurses, visiting doctors, pharmacists and others team up to ensure the safety and peace of mind of residents.

Feature 2 Meals that lead to a healthy mind and body

We incorporate “nutrition care and management” where we draw up daily meal and care plans based on the resident’s nutritional status as well as try different menus to offer rich seasonal tastes. We put forth efforts to serve “meals that make residents healthier day-by-day” by working with the care and rehabilitation sections.



Feature 3 A space that pleasantly supports independence

Our home not only provides a profoundly relaxing space but is also designed and built with equipment to support residents’ physical functions and desires for independent living. Easy-to-grip knobs for residents with weak grip strength and colored flooring that helps residents with dementia to recognize their own rooms, generate “positive changes” in residents.

Feature 4 Activities that brighten everyday life

Seasonal events such as cherry blossom viewing and summer festivals, cultural activities stimulating the five senses such as Japanese traditional dance and calligraphy, and many more events and recreational activities that bring excitement to everyday life are offered.

Making everyday life more comfortable and pleasant with day-to-day care services

A wide range of day-to-day care services are available to assure that all residents will enjoy living at our home with peace of mind.

*Some services require fees depending on their frequency.

- | | | |
|------------------------------------|---------------------------|--------------------------------|
| Eating assistance | Handling mail | Shopping services |
| Bathing assistance | Serving meals in own room | Conducting various formalities |
| Toilet assistance | Laundry | Beauty/barber services |
| Daily life assistance | Cleaning | Regular check-ups |
| Emergency response with nurse call | Changing bedding | Doctor’s visits |

Establishing a society where everyone can grow old with peace of mind by creating a nursing care scene that highlights the “person”



Ken Endo

President and Chief Executive Officer
Sompo Care Next Inc.

Japan is the first among developed nations to have entered into a super-aged society. In addition to the structural change in shouldering social welfare costs due to the increase in elderly population, issues such as nursing care refugees (people who are not able to receive nursing care) and nursing care retirement (retirement in order to take care of family members, etc.) have been identified as urgent. There are numerous problems to be solved for all the elderly people to be able to lead safe and genuinely rich lives.

We at Sompo Care Next Inc. strive to be a leader in creating a new nursing care industry while at the same time contributing to solving these issues of modern society.

In order to attain such a goal, we would like to start by focusing on the establishment and development of an environment to cultivate human resources. We will provide training/educational facilities and a system which will allow each expert, including care staff, to develop their skills in conjunction with performing daily tasks. By responding to the willingness of each member to “grow” and supporting the cultivation of their careers, we aim to become a company where people engaged in work at nursing homes can shine.

Furthermore, as a long-term goal, we will focus on research and development of information and communication technology (ICT) in cooperation with Sompo Holdings, Inc. By developing highly specialized ICT that suits the work at nursing homes and eventually utilizing it on site, it will be possible to enhance the precision of risk control which secures peace of mind and safety for residents and users as well as reduce the burden on caregivers.

Expertise in the nursing care business that Sompo Care Next has accumulated and our thoughts for residents and users. Knowledge and know-how on risk control that Sompo Holdings, Inc. has accumulated through operating the insurance business and its broad network. By means of integrating these elements, we are determined to grow as a pioneer that opens up “future nursing care” while aiming to establish a society where everyone can grow old with peace of mind.



Training center “SOMPO Care Next Step Center” Aiming to provide top quality nursing care services

Under the theme of “acquisition of knowledge/improvement of skills/enhancement of humanity,” nursing care professionals will be cultivated through a wide range of training such as skill practice using a space similar to the rooms and equipment of actual nursing homes, programs to foster the senses of nursing care and ethics in addition to provision of knowledge on basic nursing care. Furthermore, the training center will be used as a testing ground for introducing information and communication technology (ICT) to nursing care facilities. We will promote introduction of ICT which will be effective in improving the quality of nursing services by confirming the usability of new technologies and verifying data collected through trial use.



Challenging beyond insurance

SOMPO ホールディングス

Becoming a Group that can support the “security, health and wellbeing” of customers along single track

Sompo Holdings, Inc. operates the domestic life insurance business, overseas insurance business, nursing care & healthcare business and others while focusing on domestic property and casualty (P&C) insurance business. With these four businesses as its main pillars, it strives in becoming a Group that can rival global players as a genuine service provider.

As a core business of the Group, high-quality P&C insurance products and services that respond to diversifying risks are provided.

Domestic P&C Insurance

Domestic Life Insurance

Realizing “acceleration of growth” by providing a wide range of products and services supporting the life stages of customers.

Global expansion from developed nations to emerging nations with a network encompassing 210 cities in 32 countries.

Overseas Insurance

Nursing Care & Healthcare

As a new business pillar, aiming to provide top quality services by utilizing management resources and know-how the Group has fostered.

Corporate Profile

Company name	Sompo Holdings, Inc. *Sompo Japan Nipponkoa Holdings, Inc. changed its name to Sompo Holdings, Inc. on October 1, 2016.
Headquarters address	26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo, 160-8338
Established	April 1, 2010
Paid-in capital	100 billion yen
No. of employees	440 *as of March 31, 2015
Business details	Management of P&C insurance companies, life insurance companies, and other companies controlled as subsidiaries pursuant to the Insurance Business Law, and other related operations.
Group CEO	Kengo Sakurada, Representative Director, President and Executive Officer



Sompo Care Next Inc. develops a wide range of businesses which are related to nursing care, such as fee-based homes for the elderly with nursing care, day service business and home-visit care business. The company works to establish a society where everyone can grow old with peace of mind by providing top quality services and maintaining the importance of taking care of each customer.



Fee-based homes for the elderly with nursing care

At fee-based homes for the elderly with nursing care, care staff stationed around-the-clock provide nursing care services such as physical assistance in eating, bathing, using the toilet, etc., daily life assistance in cleaning, laundry, etc. as well as health consultation and rehabilitation.



Sompo Care LAVIER Kishiwada



Sompo Care LAVIER S Shonandai



Sompo Care Happy Days Mizonokuchi

Residential-type fee-based homes for the elderly

Condominiums for the elderly with meal services and daily assistance. The day service, home-visit long-term care office and home-visit nursing care office are on the same premises.

Serviced residential complexes for the elderly

Barrier-free rental apartments for seniors which provide services such as safety assurance and daily life consultation.

Outpatient daycare (day service)

Day service facilities which provide meals, bathing services, nursing care prevention programs, recreational activities and such.

*Properties shown above are not properties owned by NHI or properties scheduled to be acquired by NHI in the future.

Corporate Profile

Company name	Sompo Care Next Inc.
Headquarters address	Shinagawa Seaside East Tower 12F, 4-12-8 Higashi Shinagawa, Shinagawa-ku, Tokyo 144-0002
Established	November 11, 1992
Paid-in capital	5.095 billion yen
No. of employees	7,145 (including part time workers) *as of March 1, 2016
Business details	Fee-based homes for the elderly with nursing care, residential-type fee-based homes for the elderly business, serviced residential complexes for the elderly business, day service business, home-visit care (home assistance service) business, home-visit nursing care business and home-care support business.
Representative	Ken Endo, President

Feature Vol. 3

Introduction of Operators

Sompo Care Next Inc.



SOMPOケアネクスト
Sompo Care Next Inc.