

As of December 22, 2016

Hopeful future for Japan

Nippon Healthcare Investment Corporation

Presentation Material for
The 5th Fiscal Period Ended October 2016



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

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



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Disclaimer

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Characteristics of Nippon Healthcare Investment Corporation

1 Investment in social infrastructure to contribute to society

- Nippon Healthcare Investment Corporation (NHI) will contribute to society by specializing in investment in healthcare facilities, which are part of the social infrastructure.

2 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.

3 Stable cash flow

- To stabilize cash flow, NHI will sign long-term fixed-rent lease agreements with operators of healthcare facilities.
- To stabilize management, NHI will consider business collaborations and mutual management backup with carefully selected operators.

4 Unitholder return policy utilizing asset characteristics

- NHI will implement unitholder returns through distributions in excess of earnings (refund of investment) utilizing the asset characteristic of a high rate of depreciation.
- NHI will consider unitholder benefits utilizing the characteristics of healthcare facilities.

5 Substantial support system and strong independence

- 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 management company is able to establish cooperative relations with a wide range of operators as it is very independent with no participation of operator group.



Section 1

Operating Results

for the 5th Fiscal Period

Operating Results for 5th Fiscal Period

Actual results for the 5th Fiscal Period

(unit: million yen)

	4th FP ended Apr. 2016 (results)	5th FP ended Oct. 2016 (results)	Difference
No. of properties owned at the end of the fiscal period	21	22	+1
Operating revenue	667	679	+12
Operating expenses	377	404	+27
Property-related expenses (excluding depreciation)	70	83	+12
Depreciation	187	188	+1
Operating income	289	274	-14
Non-operating revenue	0	0	-0
Non-operating expenses	27	27	-0
Interest expense	21	20	-0
Ordinary income	261	247	-14
Net income	260	246	-14

Number of investment units issued and outstanding at the end of the fiscal period (units)	74,632	74,632	-
Distribution per unit (yen) (including distribution in excess of earnings)	4,295	4,106	-189
Distribution per unit (excluding distribution in excess of earnings)	3,495	3,306	-189
Distribution per unit in excess of earnings	800	800	-

(Reference)

Depreciation per unit (yen)	2,506	2,524
Ratio of distribution in excess of earnings to depreciation per unit	31.9%	31.7%

Increase factor

Full-year contribution of revenue (rents and common area fees) from 4 properties acquired during the previous fiscal period (+9 million yen)

Revenue (rents and common area fees) from 1 property acquired during the fiscal period (+2 million yen)

Increase factor

Tax and public dues (property-related expense) (+10 million yen)

Asset custodian and administrative agency compensation (+8 million yen)

Asset management fees (+3 million yen)

Repair cost (+2 million yen)

Comparison of forecast and actual results for 5th Fiscal Period

(unit: million yen)

	5th FP ended Oct. 2016 (forecast) (disclosed on June 21, 2016)	5th FP ended Oct. 2016 (results)	Difference
No. of properties owned at the end of the fiscal period	21	22	+1
Operating revenue	676	679	+2
Operating expenses	404	404	-0
Net income	243	246	+3
Distribution per unit (yen) (including distribution in excess of earnings)	4,060	4,106	+46
Distribution per unit (excluding distribution in excess of earnings)	3,260	3,306	+46
Distribution per unit in excess of earnings	800	800	-

Increase factor

Revenue (rents and common area fees) from 1 property acquired during the fiscal period (+2 million yen)

Increase factor

Repair cost (+3 million yen)

Decrease factor

Other commission fees (-2 million yen)

Forecast of Operating Results for 6th Fiscal Period and 7th Fiscal Period

Forecast of the 6th fiscal period

(unit: million yen)

	6th FP ending Apr. 2017 (forecast)	Difference from 5th FP
No. of properties owned at the end of the fiscal period	22	-
Operating revenue	697	+18
Operating expenses	422	+17
Property-related expenses (excluding depreciation)	99	+15
Depreciation	194	+5
Operating income	274	+0
Non-operating revenue	-	-0
Non-operating expenses	27	+0
Interest expense	21	+0
Ordinary income	247	-0
Net income	246	-0

Increase factor

Full-year contribution of revenue (rents and common area fees)
from 1 property acquired during the previous fiscal period (+17 million yen)

Increase factor

Repair cost (+13 million yen)
Depreciation (+5 million yen)

Decrease factor

Asset custodian and administrative agency compensation (-6 million yen)

	6th FP ending Apr. 2017 (forecast)	Difference from the 5th FP
Number of investment units issued and outstanding at the end of the fiscal period (units)	74,632	-
Distribution per unit (including distribution in excess of earnings) (yen)	4,100	-6
Distribution per unit (excluding distribution in excess of earnings) (yen)	3,300	-6
Distribution in excess of earnings per unit (yen)	800	-

(Reference)

Depreciation per unit (yen)	2,600
Ratio of distribution in excess of earnings to depreciation per unit	30.8%

Forecast of the 7th fiscal period

(unit: million yen)

	7th FP ending Oct. 2017 (forecast)	Difference from 6th FP
No. of properties owned at the end of the fiscal period	22	-
Operating revenue	697	-0
Operating expenses	421	-0
Property-related expenses (excluding depreciation)	96	-2
Depreciation	194	+0
Operating income	275	+0
Non-operating revenue	-	-
Non-operating expenses	28	+0
Interest expense	21	+0
Ordinary income	247	+0
Net income	246	+0

Increase factor

Tax and public dues (property-related expense) (+2 million yen)

Decrease factor

Repair cost (-4 million yen)

	7th FP ending Oct. 2017 (forecast)	Difference from the 6th FP
Number of investment units issued and outstanding at the end of the fiscal period (units)	74,632	-
Distribution per unit (including distribution in excess of earnings) (yen)	4,100	-
Distribution per unit (excluding distribution in excess of earnings) (yen)	3,300	-
Distribution in excess of earnings per unit (yen)	800	-

(Reference)

Depreciation per unit (yen)	2,612
Ratio of distribution in excess of earnings to depreciation per unit	30.6%



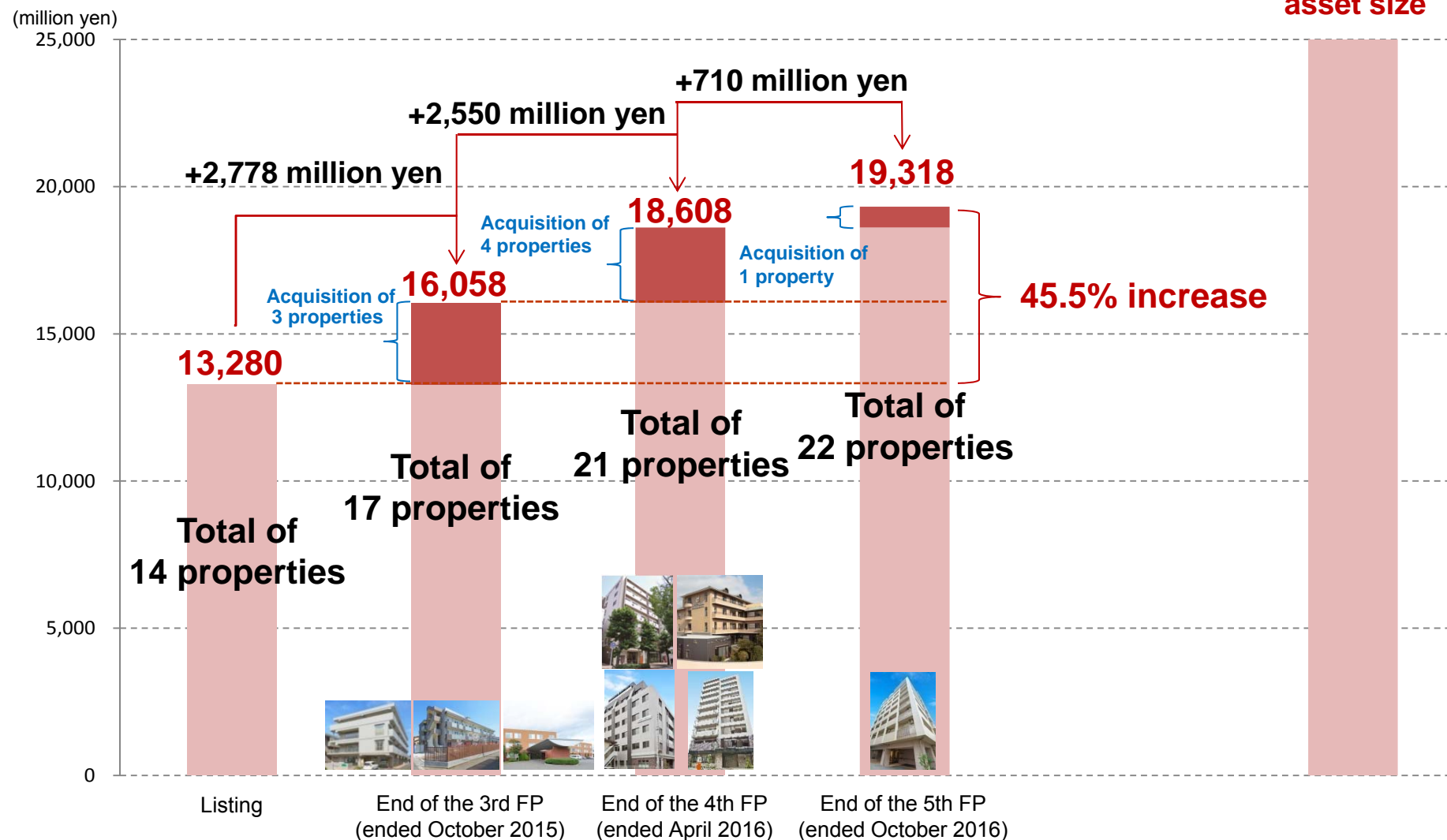
Section 2

External Growth

Change in Asset Size

Continuous external growth through acquisition of carefully selected properties

Aim for further
expansion of
asset size



Property Acquired in 5th FP (ended October 2016)

Sompo no ie Nishitanabeekimae

Acquisition price: 710 million yen (Acquisition date: October 6, 2016)
Operator: Sompo Care Message Inc.
Facility type: Fee-based homes for the elderly with nursing care



Location	1-1-21 Nishitanabe-cho, Abeno-ku, Osaka-shi, Osaka	Appraisal value	742 million yen (Note)
Area	535.74m ²	Total leased area	2,095.79m ²
Structure/floors	(1) RC/9F (2) RC/1F	Construction completion	February 2007

(Note) As of August 31, 2016

■ Site Features

The Property is located an approximate two-minute walk from Nishitanabe Station on the Osaka Municipal Subway Midōsuji Line.

■ Area Features

In Abeno Ward where the property is located, the population of elderly people aged 75 years or over is 13,800, accounting for 12.8% of the total population, which is a level slightly above the national average of 12.2%. The population of elderly people aged 75 years or over within 3km of the property is 85,200, accounting for 13.6% of the total population, slightly above the ratio of Abeno Ward. On the other hand, the supply ratio of facilities for people requiring nursing care/requiring support in Abeno Ward is 19.9%, lower than the national average of 28.5%, and the supply ratio within 3km is also lower than national average at 24.3%. We believe that the supply of facilities for people requiring nursing care/requiring support has not reached the point to fill demand.

■ Property Features

Room area of the largest number of room type is relatively large at 25m² and every room is equipped with bathroom and mini-kitchen.

Sompo Care Message Inc. (New operator)



SOMPOケアメッセージグループ®

Company name	Sompo Care Message Inc.
Head office	552-1 Nishiichi, Minami-ku, Okayama-shi, Okayama
Representative	Tetsuya Kikui, Representative Director
Established	May 1997
Capital	3,925 million yen
Attributes (listed market)	Listed company (JASDAQ Standard on the Tokyo Stock Exchange) (Note)
Business activities	Operation of fee-based homes for the elderly, elderly housing with supportive services and group homes, and home-visit care (home assistance) service business
Other	Subsidiary of Sompo Holdings, Inc., a company listed on the first section of the Tokyo Stock Exchange

(Note) Sompo Care Message Inc. is scheduled to be delisted on January 16, 2017.

Facilities operated	No. of facilities	Resident capacity
Fee-based homes for the elderly with nursing care	182	9,777
Elderly housing with supportive services	125	7,279
Group homes and others	26	588
Total	333	17,644

(Note) Actual results as of March 31, 2016

Source: The operator's website, financial results briefing material, etc.

Sourcing Route

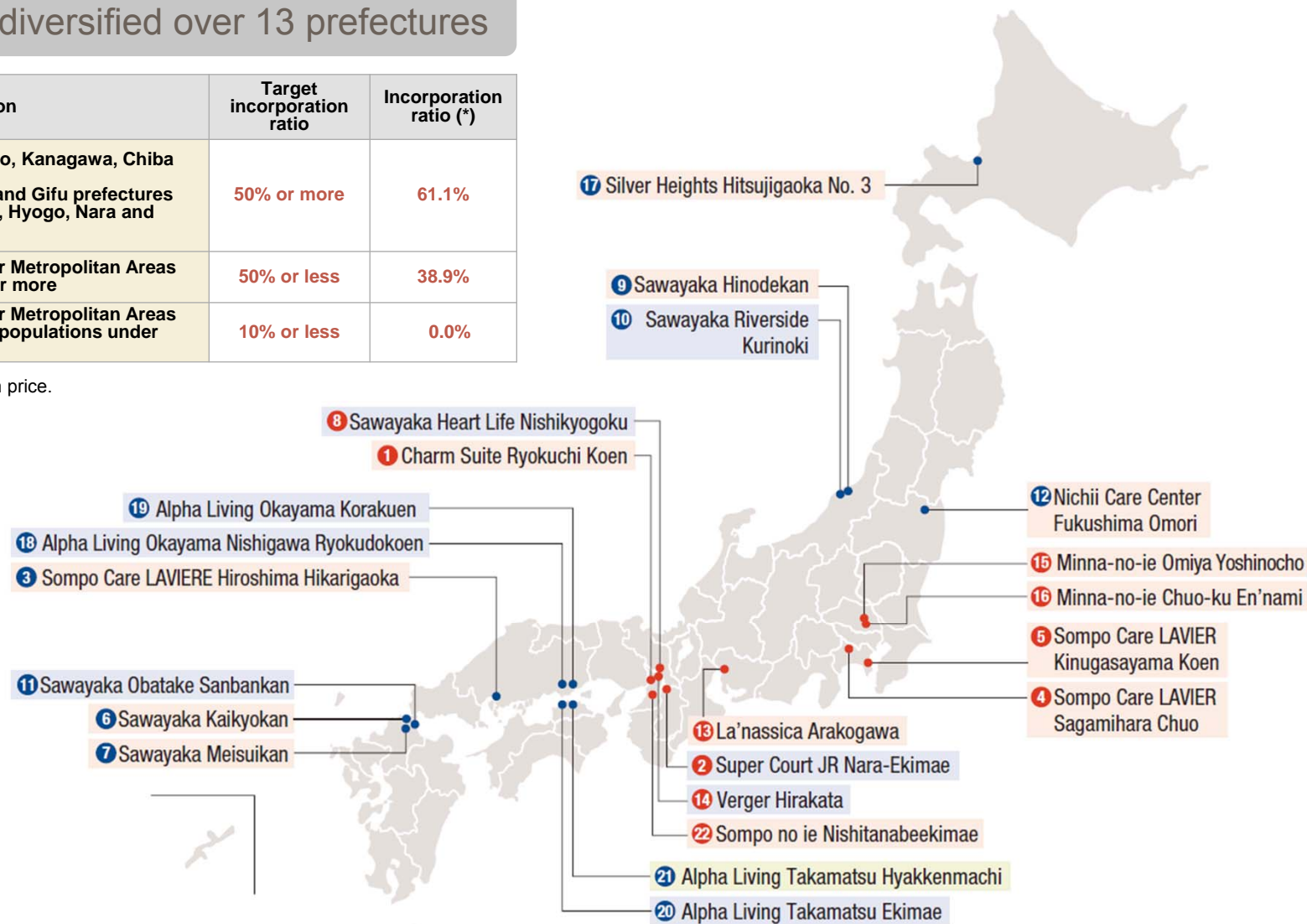
	Upon Listing 14 properties 13,280 million yen	Properties acquired in 3rd FP 3 properties/2,778 million yen	Properties acquired in 4th FP 4 properties/2,550 million yen	Property acquired in 5th FP 1 property/710 million yen	6th FP~
Asset Management Company's unique network 5 properties 3,750 million yen		Off-balancing in line with M&A <p>Silver Heights Hitsujigaoka No.3 Acquisition price: 1,200 million yen</p> <ul style="list-style-type: none"> M&A cases for business succession Needs for securing liquidity on hand 	Sales & Leaseback <p>Alpha Living Okayama Nishigawa Ryokudokoen Acquisition price: 730 million yen</p> <p>Alpha Living Okayama Korakuen Acquisition price: 610 million yen</p> <p>Alpha Living Takamatsu Ekimae Acquisition price: 605 million yen</p> <p>Alpha Living Takamatsu Hyakkenmachi Acquisition price: 605 million yen</p> <ul style="list-style-type: none"> Properties sold by developer group which owns operators Exclusive needs for facility management 		<ul style="list-style-type: none"> Proactively discussing development properties in addition to information on existing facilities obtained from the sourcing routes Also listing cases via bridge funds funded by the sponsor as part of sponsor support. Discussing the cases while acquiring preferential negotiation rights.
Sponsor group 2 properties 1,578 million yen		Change of owners <p>Minna-no-ie Omiya Yoshinocho Acquisition price: 740 million yen</p> <p>Minna-no-ie Chuo-ku En'nami Acquisition price: 838 million yen</p> <ul style="list-style-type: none"> Properties introduced by the sponsor group Needs for asset management from owners 			
Advisor 15 properties 13,990 million yen	14 properties 13,280 million yen			Change of owners <p>Sompo no ie Nishitanabeekimae Acquisition price: 710 million yen</p> <ul style="list-style-type: none"> Needs for asset management from owners 	

Portfolio Map (as of October 31, 2016)

Owned properties are diversified over 13 prefectures

Region	Definition	Target incorporation ratio	Incorporation ratio (*)
Three Major Metropolitan Areas	The greater Tokyo area: Tokyo, Kanagawa, Chiba and Saitama prefectures The Chukyo area: Aichi, Mie and Gifu prefectures The Kinki area: Osaka, Kyoto, Hyogo, Nara and Shiga prefectures	50% or more	61.1%
Core City Areas	Cities outside the Three Major Metropolitan Areas with populations of 200,000 or more	50% or less	38.9%
Other	Cities outside the Three Major Metropolitan Areas and the Core City Areas with populations under 200,000	10% or less	0.0%

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



(Note) Red numbers refer to Three major metropolitan areas and blue numbers to Core City Areas.
Facility names with orange background are fee-based homes for the elderly with nursing care, those with blue background are residential-type fee-based homes for the elderly, and those with yellow-green are elderly housing with supportive services.



Introduction of Operators

Highly reliable operators

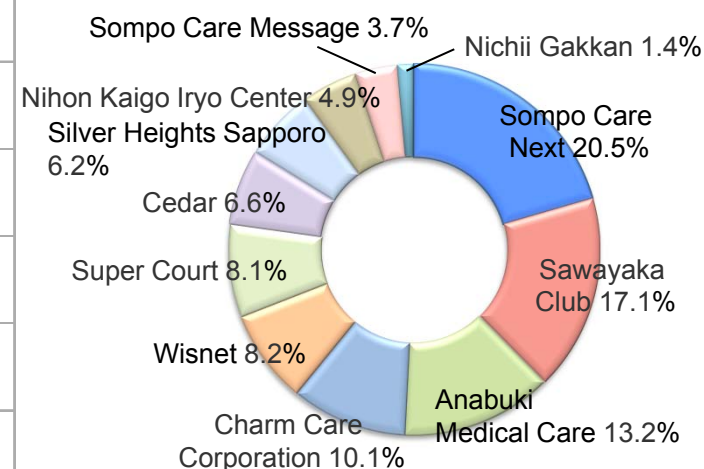
(*) Operators are listed in order of the number of facilities they manage

Operator	Number of managed facilities (Note 1)	Number of operating rooms (Note 1)	Established	Attributes
Nichii Gakkan	421	13,560	August, 1973	Listed on the first section of the Tokyo Stock Exchange
Sompo Care Message ^(Note2)	318	17,336	May, 1997	Listed on JASDAQ Standard on the Tokyo Stock Exchange Subsidiary of Sompo Holdings, Inc., a company listed on the first section of the Tokyo Stock Exchange
Wisnet	126	3,576	January, 1998	Subsidiary of Sohgo Security Service Co., Ltd., a company listed on the first section of the Tokyo Stock Exchange
Sompo Care Next	117	8,799	November, 1992	Subsidiary of Sompo Holdings, Inc., a company listed on the first section of the Tokyo Stock Exchange
Sawayaka Club	69	4,128	December, 2004	Subsidiary of Uchiyama Holdings Co., Ltd., a company listed on the first section of the Tokyo Stock Exchange
Super Court	45	3,019	May, 1995	—
Cedar	41	2,169	April, 1981	Listed on JASDAQ Standard on the Tokyo Stock Exchange
Charm Care Corporation	33	2,340	August, 1984	Listed on JASDAQ Standard on the Tokyo Stock Exchange
Anabuki Medical Care	27	1,196	June, 2009	Subsidiary of Anabuki Kosan Inc., a company listed on the first section of the Tokyo Stock Exchange
Nihon Kaigo Iryo Center	22	941	October, 1997	—
Silver Heights Sapporo	3	321	December, 1961	—

(Note1) Number of managed facilities and Number of operating rooms indicate the number of facilities and the number of rooms for fee-based homes for the elderly, group homes and elderly housing with supportive services based on operators' websites and interviews with them (as of October 31, 2016).

(Note2) Sompo Care Message Inc. is scheduled to be delisted on January 16, 2017.

Diversification of Operators



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

40% or less

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

Continuous Evaluation of Operators and Monitoring System

Business operation cycle

Common items for evaluation at the time of new acquisition and continuous evaluation

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

Quantitative Perspective

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

Qualitative Perspective

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

Facility management/Monitoring system

- The Asset Management Company of NHI strives to enhance value of facilities by regularly collecting information on the operation from the operators and the facilities (directors) in cooperation with PM companies, etc.



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

- **Six members are placed** in the Healthcare Management Team. (Including those holding 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 Management Company and PM companies visit operators' facilities and conduct examinations every fiscal period.
- ◆ Interviewing (Once or more/year)
 - Confirming the following items with directors and care providers at facilities:
 - (1) Responses to residents
 - (2) Employees training program
 - (3) Status of governance (including items to check for prevention of resident mistreatment)

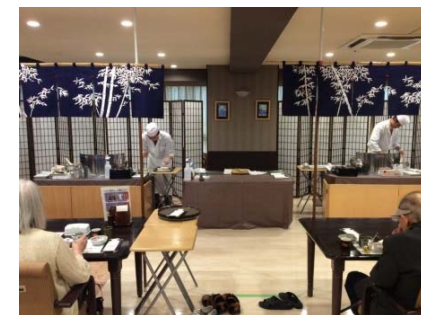
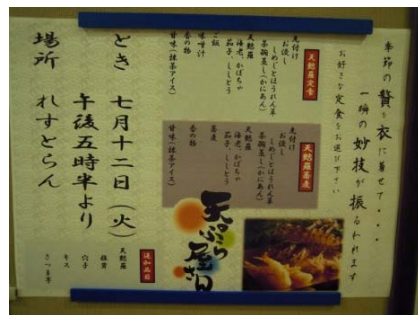
Report on Asset Management Department Activities

Relationship between asset management department personnel and facilities

■ Sampo Care LAVIER Kinugasayama Koen



- Tempura Caravan (July 2016): Serving freshly fried tempura to residents as part of measures to enhance satisfaction of residents of facilities by Sampo Care Next's head office



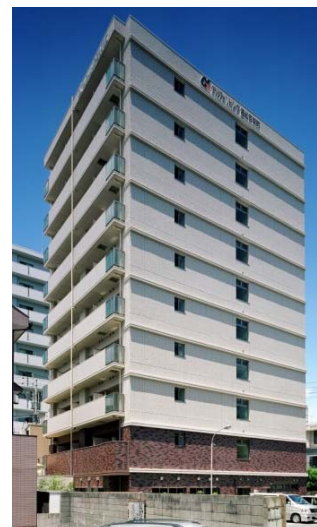
■ La' nassica Arakogawa

- Respect-for-the-aged ceremony (September 2016)



■ Alpha Living Takamatsu Hyakkenmachi

- Helping with daily chores at the facility (October 2016)



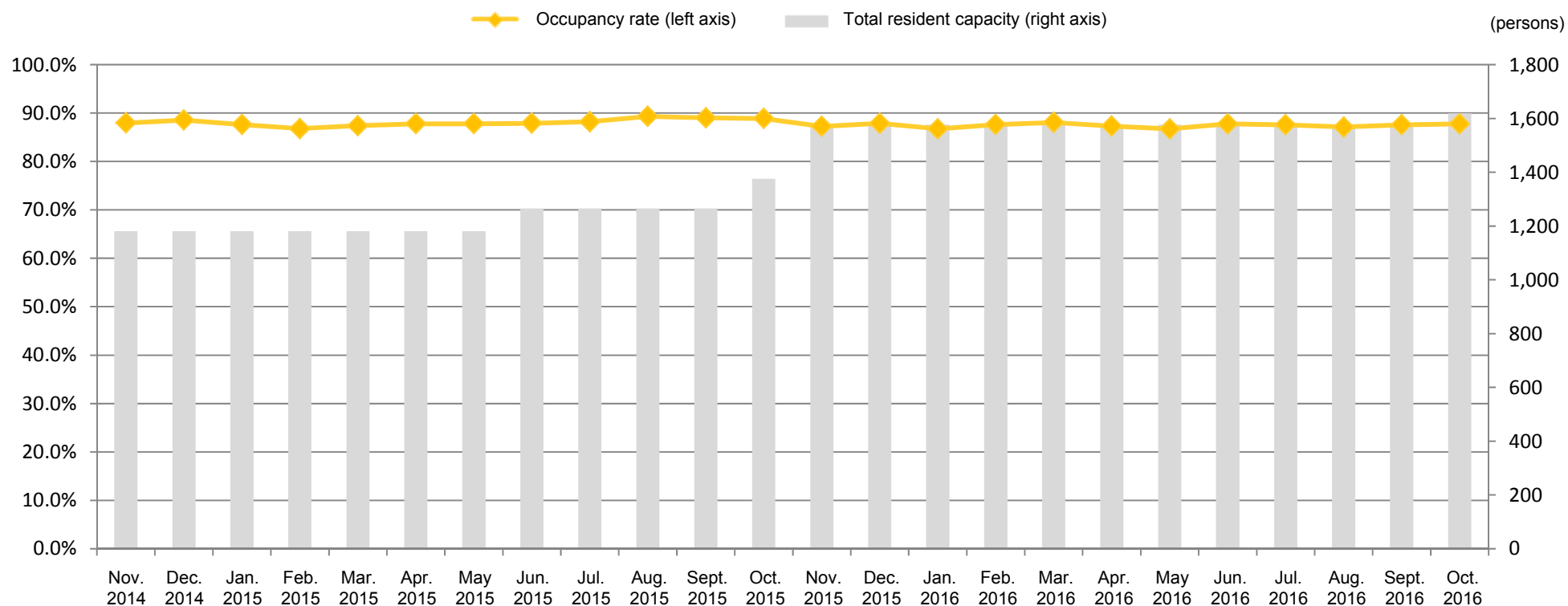


Section 3

Portfolio Analysis

Status of Portfolio: Change in Occupancy Rates

Change in occupancy rates (overall)



Stable occupancy rates

- The overall occupancy rate has risen 0.4% from 87.3% at the end of April 2016 to 87.7% at the end of October 2016.
- The period average for the fiscal period ended October 2016 was 87.4%, unchanged from the period average for the fiscal period ended April 2016 at 87.4%.

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

Status of Portfolio: Fee Systems of Facilities

Name of facility	Occupancy rate (%)	One-time entrance fee (thousand yen)	Monthly fee (yen)	Date of acquiring the written explanation of important matters
Charm Suite Ryokuchi Koen	96.0	2,400~4,800	157,800~203,800	August 1, 2016
Super Court JR Nara-Ekimae	88.3		150,080	October 1, 2016
Sompo Care LAVIER Hiroshima Hikarigaoka	83.7	4,500~6,800	186,690	July 1, 2016
Sompo Care LAVIER Sagamihara Chuo (Note 2)	61.2		234,800~254,800	October 1, 2016
Sompo Care LAVIER Kinugasayama Koen	93.2	3,800~7,800	199,071	October 1, 2016
Sawayaka Kaikyokan	100.0		142,600~145,600	October 1, 2016
Sawayaka Meisuiikan	100.0		103,440~138,440	October 1, 2016
Sawayaka Heart Life Nishikyogoku	94.0		161,600~181,600	July 1, 2016
Sawayaka Hinodekan	86.0		196,820	July 1, 2016
Sawayaka Riverside Kurinoki	92.3		157,762	October 1, 2016
Sawayaka Obatake Sanbankan	92.0		122,300	October 1, 2016
Nichii Care Center Fukushima Omori	100.0		162,743	October 1, 2016
La'nassica Arakogawa	95.0	1,260~2,100	152,340~154,340	October 1, 2016
Verger Hirakata	73.8		135,000	October 1, 2016
Minna-no-ie Omiya Yoshinocho	100.0		163,207	October 1, 2016
Minna-no-ie Chuo-ku En'nami	52.9		168,800	October 20, 2016
Silver Heights Hitsujigaoka No.3	92.7	2,000~4,000	162,540	October 1, 2016
Alpha Living Okayama Nishigawa Ryokudokoen (Note 2)	61.8	1,380~2,760	137,000~159,000	October 1, 2016
Alpha Living Okayama Korakuen (Note 2)	62.5	1,620~3,000	148,000~189,000	October 1, 2016
Alpha Living Takamatsu Ekimae (Note 2)	90.9	1,200~2,400	149,000~185,000	October 1, 2016
Alpha Living Takamatsu Hyakkenmachi (Note 2)	96.2	960~1,920	152,000~212,000	October 1, 2016
Sompo no ie Nishitanabeekimae	85.7		175,000	September 1, 2016

(Note 1) "One-time entrance fee" indicates one-time entrance fee stated in the written explanation of important matters or in the price list acquired from the operators. "Monthly fee" indicates the monthly fee for a standard single room stated in the written explanation of important matters or in the price list acquired from the operators (excluding the co-payment amount of nursing care insurance services). One-time entrance fee and monthly rent for facilities with one-time entrance fee are indicated on a one-time entrance fee basis (one-time entrance fee and monthly fee are indicated separately) whereas those for facilities without one-time entrance fee are indicated on a monthly payment basis. Occupancy rates are obtained by dividing the number of residents indicated in the written explanation of important matter by resident capacity, rounded down to one decimal place.

(Note 2) Sompo Care LAVIERE Sagamihara Chuo revised fees in June 2016; and Alpha Living Okayama Nishigawa Ryokudokoen, Alpha Living Okayama Korakuen, Alpha Living Takamatsu Ekimae and Alpha Living Takamatsu Hyakkenmachi in July 2017.

Portfolio List (as of October 31, 2016)

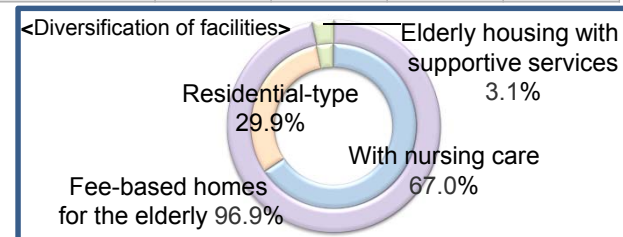
No. (Note 1)	Acquisition period	Property name	Facility type	Operator	Location	Acquisition price (Note 2)		Appraisal value (million yen) (Note 3)	Number of rooms (rooms) (Note 4)
						Price (million yen)	Share of portfolio (%)		
1	1st Fiscal Period	Charm Sweet Ryokuchi Koen	Fee-based homes for the elderly with nursing care	Charm Care Corporation	Toyonaka City, Osaka	1,950	10.1	3,060	128
2	2nd Fiscal Period	Super Court JR Nara-Ekimae	Residential-type fee-based homes for the elderly	Super Court	Nara City, Nara	1,569	8.1	1,750	155
3	1st Fiscal Period	Sompo Care LAVIERE Hiroshima Hikarigaoka	Fee-based homes for the elderly with nursing care	Sompo Care Next	Hiroshima City, Hiroshima	960	5.0	1,230	80
4	1st Fiscal Period	Sompo Care LAVIERE Sagamihara Chuo	Fee-based homes for the elderly with nursing care		Sagamihara City, Kanagawa	1,170	6.1	1,750	80
5	2nd Fiscal Period	Sompo Care LAVIERE Kinugasayama Koen	Fee-based homes for the elderly with nursing care		Yokosuka City, Kanagawa	1,839	9.5	2,060	104
6	1st Fiscal Period	Sawayaka Kaikyokan	Fee-based homes for the elderly with nursing care	Sawayaka Club	Kitakyushu City, Fukuoka	630	3.3	897	65
7	1st Fiscal Period	Sawayaka Meisuihan	Fee-based homes for the elderly with nursing care		Kitakyushu City, Fukuoka	590	3.1	812	87
8	1st Fiscal Period	Sawayaka Heart Life Nishikyogoku	Residential-type fee-based homes for the elderly		Kyoto City, Kyoto	750	3.9	1,210	84
9	2nd Fiscal Period	Sawayaka Hinodekan	Fee-based homes for the elderly with nursing care		Niigata City, Niigata	773	4.0	938	50
10	2nd Fiscal Period	Sawayaka Riverside Kurinoki	Residential-type fee-based homes for the elderly		Niigata City, Niigata	266	1.4	323	33
11	2nd Fiscal Period	Sawayaka Obatake Sanbankan	Residential-type fee-based homes for the elderly		Kitakyushu City, Fukuoka	289	1.5	355	50
12	1st Fiscal Period	Nichii Care Center Fukushima Omori	Fee-based homes for the elderly with nursing care	Nichii Gakkan	Fukushima City, Fukushima	265	1.4	353	52
13	2nd Fiscal Period	La'nassica Arakogawa	Fee-based homes for the elderly with nursing care	Cedar	Nagoya City, Aichi	1,279	6.6	1,430	100
14	1st Fiscal Period	Verger Hirakata	Residential-type fee-based homes for the elderly	Nihon Kaigo	Hirakata City, Osaka	950	4.9	1,590	104
15	3rd Fiscal Period	Minna-no-ie Omiya Yoshinocho	Fee-based homes for the elderly with nursing care	Wisnet	Saitama City, Saitama	740	3.8	799	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	4.3	890	51
17	3rd Fiscal Period	Silver Heights Hitsujigaoka No.3	Fee-based homes for the elderly with nursing care	Silver Heights Sapporo	Sapporo City, Hokkaido	1,200	6.2	1,330	109
18	4th Fiscal Period	Alpha Living Okayama Nishigawa Ryokudokoen	Residential-type fee-based homes for the elderly	Anabuki Medical Care	Okayama City, Okayama	730	3.8	790	53
19	4th Fiscal Period	Alpha Living Okayama Korakuen	Residential-type fee-based homes for the elderly		Okayama City, Okayama	610	3.2	672	45
20	4th Fiscal Period	Alpha Living Takamatsu Ekimae	Residential-type fee-based homes for the elderly		Takamatsu City, Kagawa	605	3.1	641	43
21	4th Fiscal Period	Alpha Living Takamatsu Hyakkenmachi	Elderly housing with supportive services		Takamatsu City, Kagawa	605	3.1	627	50
22	5th Fiscal Period	Sompo no ie Nishitanabeekimae	Fee-based homes for the elderly with nursing care	Sompo Care Message	Osaka City, Osaka	710	3.7	744	42
11 operators 22 properties Total						19,318	100.0	24,251	1,598

(Note 1) Red numbers refer to Three major metropolitan areas and blue numbers to Core cities. The background colors for Property name and Facility type columns indicate types of facilities; orange for fee-based homes for the elderly with nursing care, blue for residential-type fee-based homes for the elderly and yellow-green for elderly housing with supportive services.

(Note 2) "Acquisition price" is excluding consumption tax, local consumption tax and the various expenses required for the acquisition. "Share of portfolio" is the respective acquisition price expressed as a percentage of the total of the acquisition prices, rounded to one decimal place. Therefore the total of "Share of portfolio" may be different from the figure indicated in "Total."

(Note 3) "Appraisal value" is as of October 31, 2016 for other properties.

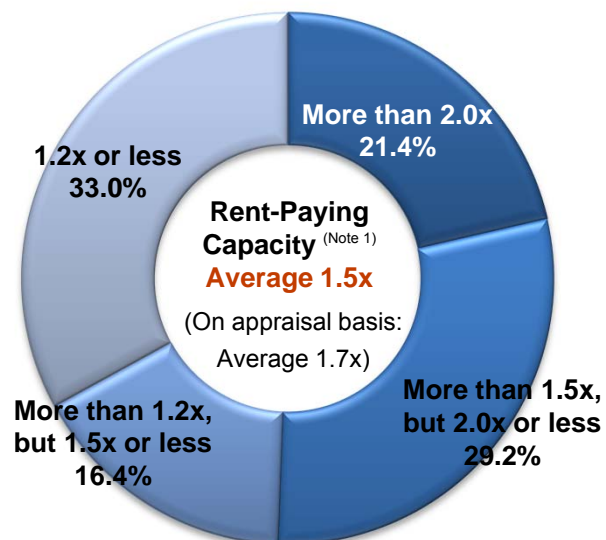
(Note 4) "Number of rooms" is the figure indicated in the written explanation of important matters pertaining to the fee-based home for the elderly provided by the operator.



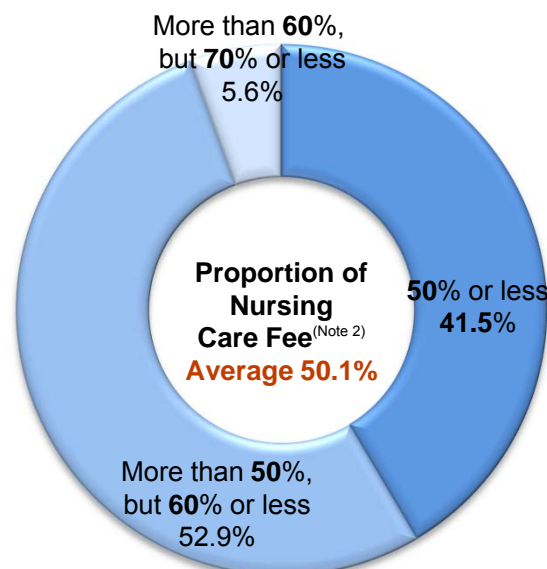
(Note) Total acquisition price by type as a percentage of the total acquisition price is indicated.

Status of Portfolio (as of October 31, 2016)

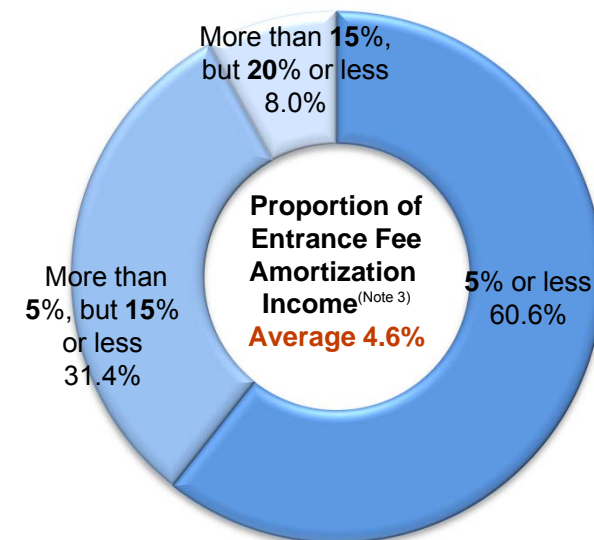
Rent-Paying Capacity



Proportion of Nursing Care Fee



Proportion of Entrance Fee Amortization Income



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

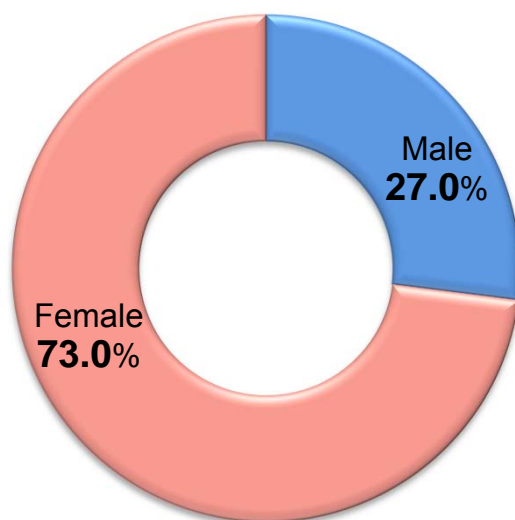
(Note 2) "Proportion of nursing care fee" refers to the proportion of the acquired asset's net sales that is accounted for by nursing care fee (including residents' co-payment portion).

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

(*) Data are based on information on business income and expenditures from October 2015 to September 2016 disclosed by the respective operator. However, data for Nichii Care Center Fukushima Omori are based on information on business income and expenditures from July 2015 to June 2016; for La'nassica Arakogawa from April 2015 to March 2016; for Silver Heights Hitsujigaoka No.3 from September 2015 to August 2016; and for Sompo no ie Nishitanabeekimae from July 2015 to June 2016.

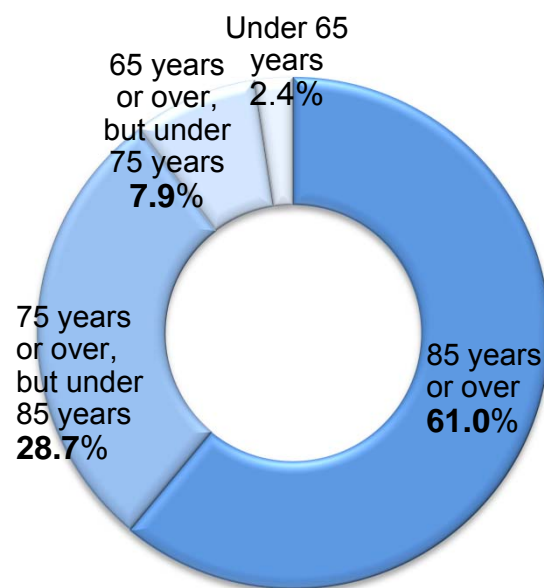
Portfolio Resident Attributes (as of October 31, 2016)

Gender^(Note1)



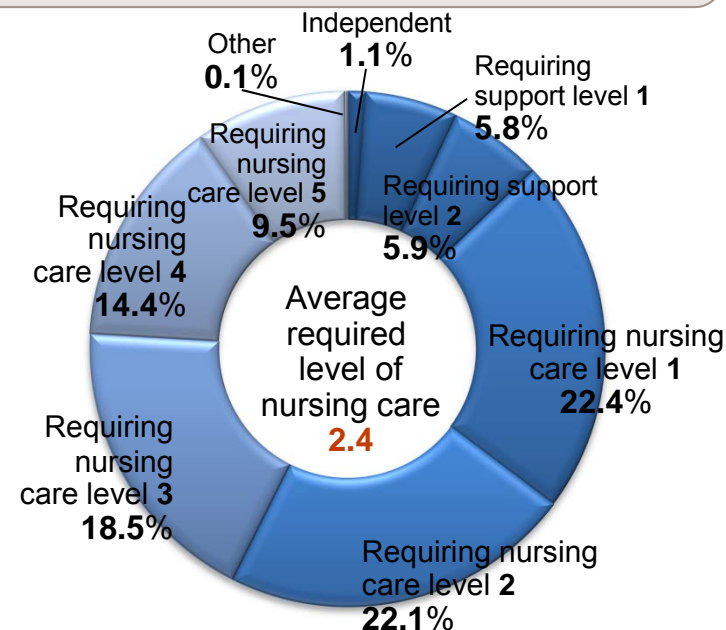
(Note 1) The graph indicates the ratio of the number of residents per gender expressed as a percentage of the total number of residents.

Age Group^(Note2)



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

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



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

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

(*) Data are based on figures stated in the written explanation of important matters (July-October,2016) provided by each operator.
All percentage figures are rounded to one decimal place.



Section 4

Financial Status

Status of Interest-Bearing Liabilities (as of October 31, 2016)

Status of Interest-Bearing Liabilities (as of October 31, 2016)

Term	Lender	Balance (million yen)	Type of interest	Interest rate(*)	Drawdown date	Repayment deadline
Short-term loans payable	Mizuho Bank	500	Floating	T+0.300%	October 6, 2016	September 29, 2017
Current portion of long-term loans payable	Mizuho Bank (**)	800	Fixed	0.344%	November 5, 2014	October 31, 2017
	The Musashino Bank (**, ***)	500		0.329%		October 31, 2017
	Shinkin Central Bank	500		0.355%		October 31, 2017
Long-term loans payable	Mizuho Bank (**)	1,000	Fixed	0.532%	November 5, 2014	October 31, 2019
	Resona Bank (**)	1,200		0.532%		October 31, 2019
	Sumitomo Mitsui Trust Bank (**)	1,200		0.431%		October 31, 2018
	Mizuho Trust & Banking (**)	700		0.532%		October 31, 2019
	The Dai-ichi Life Insurance	500		0.431%		October 31, 2018
	Mizuho Bank (**)	500	Fixed	0.524%	June 1, 2015	May 29, 2020
	Mizuho Trust & Banking (**)	500		0.524%		May 29, 2020
	The Musashino Bank (**)	500		0.524%		May 29, 2020
	Resona Bank (**)	500		0.474%	October 15, 2015	October 30, 2020
	Shinkin Central Bank (**)	400		0.293%		October 31, 2018
	Sumitomo Mitsui Trust Bank (**)	500		0.138%	April 28, 2016	April 30, 2020
Total		9,800	-	-	-	-

LTV^(Note)

46.0%

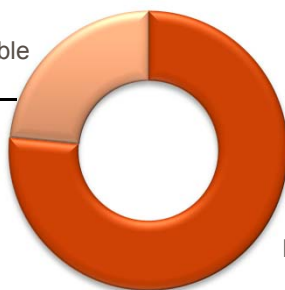
Average
remaining
period ^(Note)

2.5 years

(Note) LTV and average remaining period indicate figures calculated as of October 31, 2016, rounded to the first decimal place. LTV is calculated based on total assets.

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

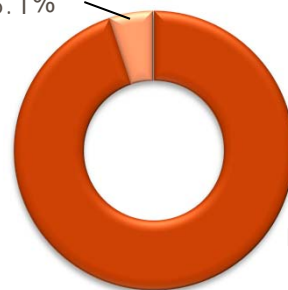
Short-term loans
payable and
current portion of
long-term loans payable
23.5%



Long-term
loans payable
76.5%

Ratio of Fixed Rates and Floating Rates

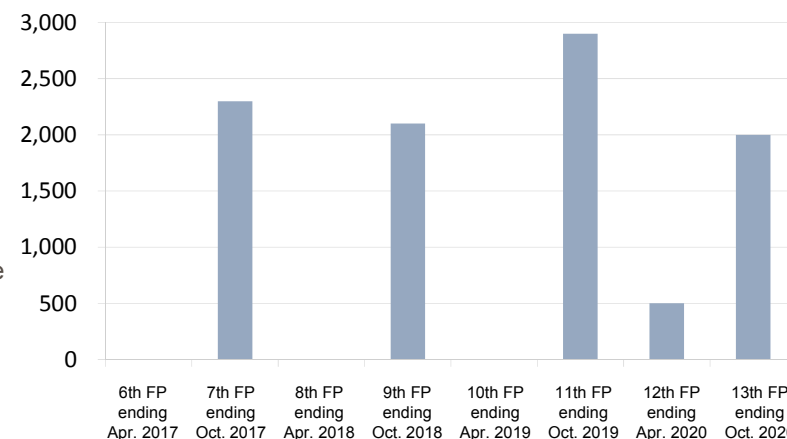
Ratio of floating rate
5.1%



Ratio of fixed rate
94.9%

Repayment Schedule

(million yen)



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

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

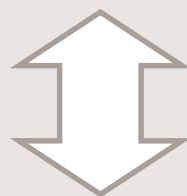
(***) Interest rates are converted on a one year=365 days basis.

Policy on Distributions in Excess of Earnings / Index including NHI

Implementation of distributions in excess of earnings taking advantage of features of healthcare assets

High depreciation ratio

- Regarding facilities owned by NHI, the ratio of buildings to the entire asset is high, at nearly 70%.
- The ratio of depreciation without cash payout is high.

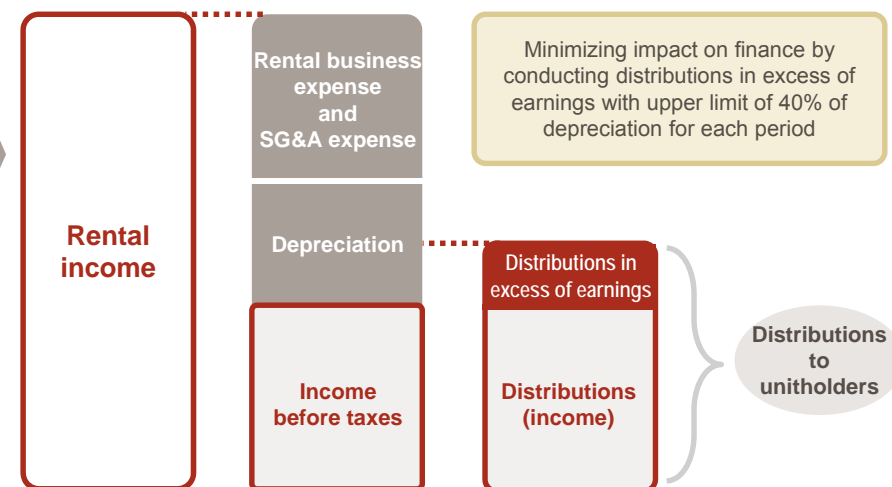


Low burden of construction expenses

- Repairs to be borne by NHI are limited to building frames and main structural sections
- Expenses required for update of equipment tend to be low

Implement distributions in excess of earnings every accounting period with

an upper limit of 40% of depreciation



Index including NHI

Month / year	Name of index
September 2015	Thomson Reuters GPR / APREA Investable REIT 100 Index

Overview of Unitholder Benefits Program

With the cooperation of operators who are the tenants, the unitholder benefits program will be offered to unitholders as of the end of fiscal period ended October 2016.



Charm Care Corporation

Discount coupon for entrance fee

Free voucher for an overnight trial stay (with meals)



SOMPOケア

Sompo Care Next, Inc.

Discount coupon for entrance fee

Discount on room fee

Free voucher for a one-day facility tour
(with lunch provided)



Sawayaka Club Co., Ltd.

Discount on room fee

Free voucher for an overnight trial stay (with meals)

Free voucher for a one-day facility tour
(with lunch provided)



Nichiigakkan Co., Ltd.

Free Enrollment and discount from
Tuition of COCO Juku, etc.

Discount voucher for homemaking, childcare and
nursing-care at his/her own expense services



Cedar Co., Ltd.

Free voucher for an overnight trial stay (with meals)

Free voucher for a one-day facility tour
(with lunch provided)



Nihon Kaigo Iryo Center Co., Ltd.

Free voucher for an overnight trial stay (with meals)



Wisnet Co., Ltd.

Discount on occupancy expenses



Silver Heights
Sapporo
Co., Ltd.

Discount coupon for entrance fee

Free voucher for an overnight trial stay
(with meals)

Free voucher for a one-day facility tour
(with lunch provided)



Anabuki Medical
Care Inc.

Furniture presented to new residents of
Anabuki Medical Care's facilities
that are owned by NHI



Super Court
Co., Ltd.

Free voucher for an overnight trial stay
(with meals)

Free voucher for a one-day facility tour
(with lunch provided)

Cash back for the monthly payment
for the new resident



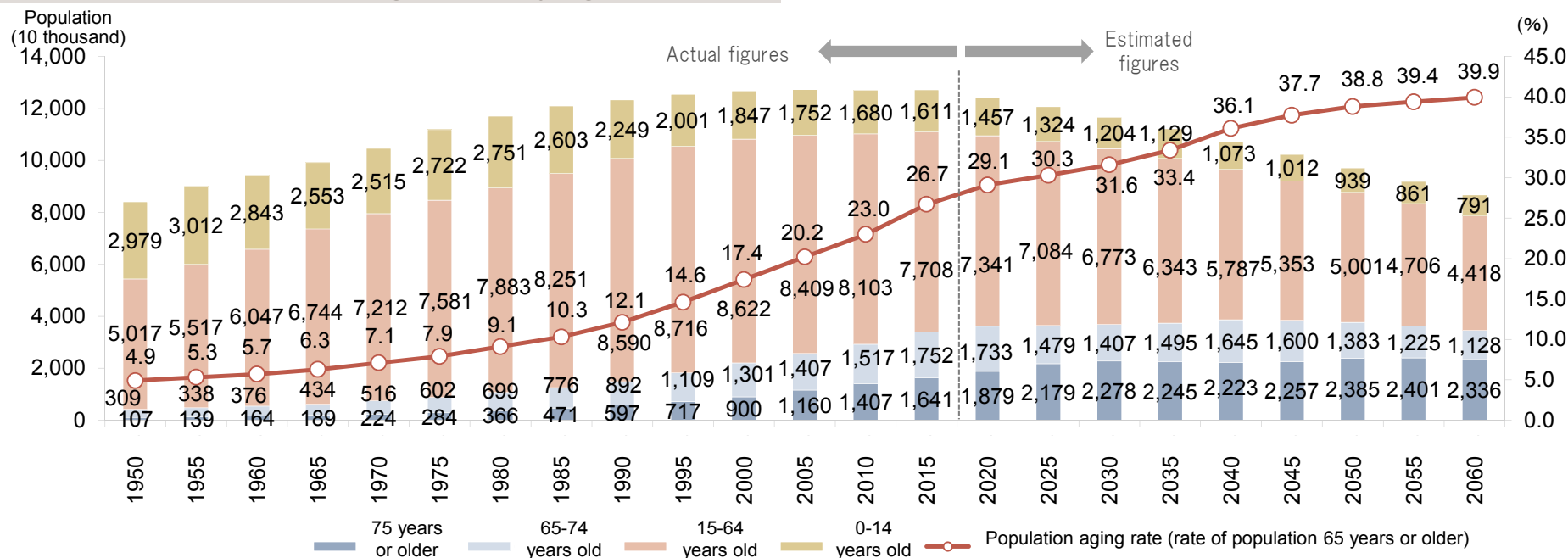
Memorandum



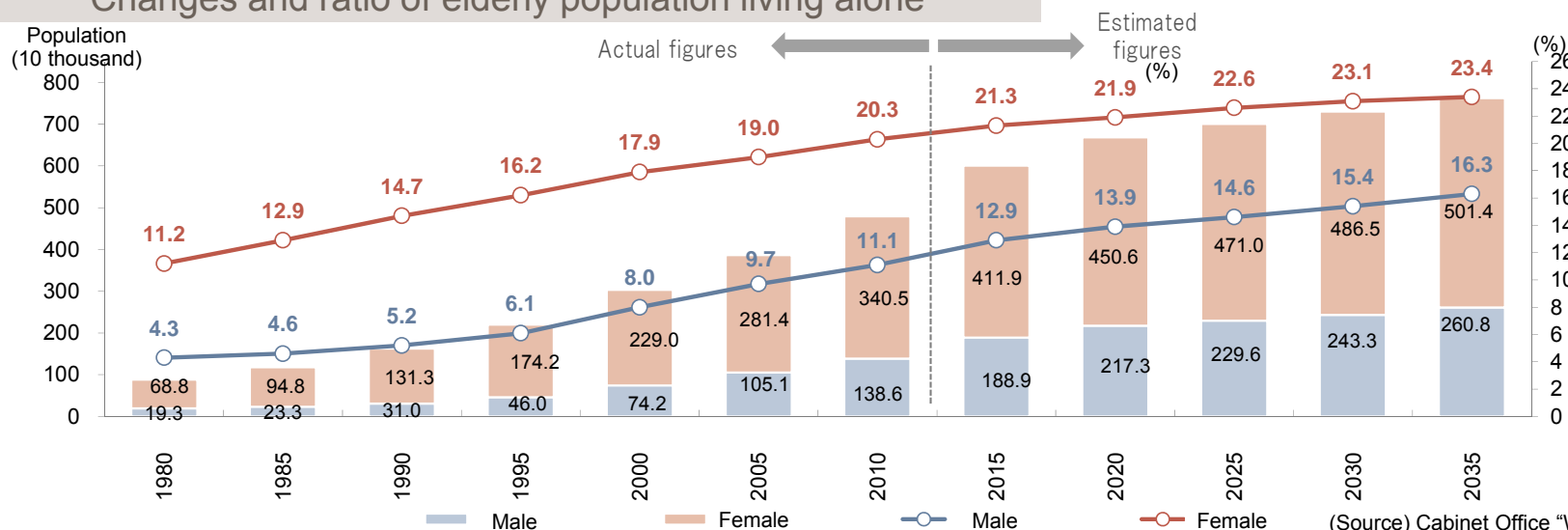
Appendix

Surrounding Status of Healthcare Facilities (1): Progress of aging society

Domestic demographics by age



Changes and ratio of elderly population living alone



(Source) Cabinet Office "White Paper on Aging Society 2016"

Surrounding Status of Healthcare Facilities (2): Supply necessity of housing for elderly

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

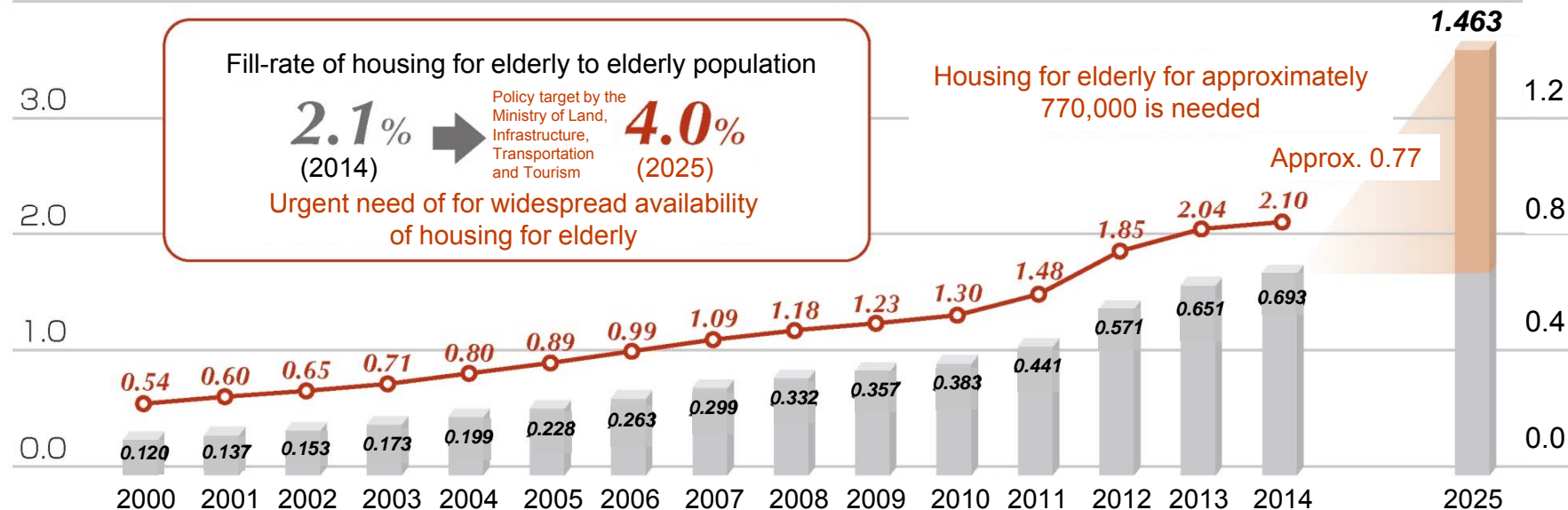
Based on the government policy target indicated in “Basic plans for housing for people (nationwide plans)” approved by the cabinet on March 18, 2016.

Fill-rate of housing for elderly to elderly population

(%) 4.0

Capacity of housing for elderly

1.6(million)



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

Market Size by Segment

Market size of fee-based homes for the elderly requiring nursing care is large, therefore there is much room for NHI to expand

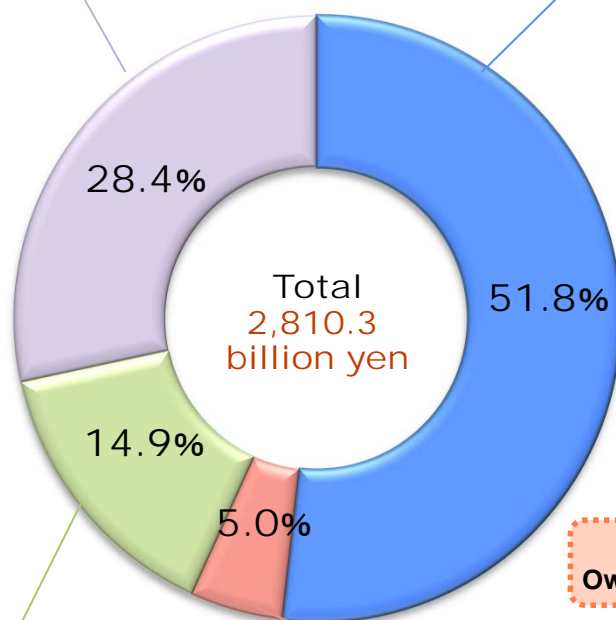
Market size by facility type

Group homes

Net sales: 797.3 billion yen
No. of facilities: 12,938
(197,292 rooms)

Fee-based homes for the elderly (for those requiring nursing care)

Net sales: 1,455.5 billion yen
No. of facilities: 11,063
(377,618 rooms)



Elderly housing with supportive services

Net sales: 417.2 billion yen
No. of facilities: 5,419
(173,020 rooms)

Fee-based homes for the elderly (for those who are independent)

Net sales: 140.3 billion yen
No. of facilities: 476
(34,934 rooms)

**Zone of
Owned properties**

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

High

Price (assumed monthly fees)

Low

500 thousand yen/month	80.8 billion yen (9,187 rooms)	13.7 billion yen (1,236 rooms) 600 thousand yen/month
350 thousand yen/month	133.1 billion yen (20,995 rooms)	31.1 billion yen (5,584 rooms) 400 thousand yen/month
200 thousand yen/month	342.5 billion yen (72,984 rooms)	83.3 billion yen (21,941 rooms) 200 thousand yen/month
	899.2 billion yen (274,452 rooms)	12.2 billion yen (6,173 rooms)

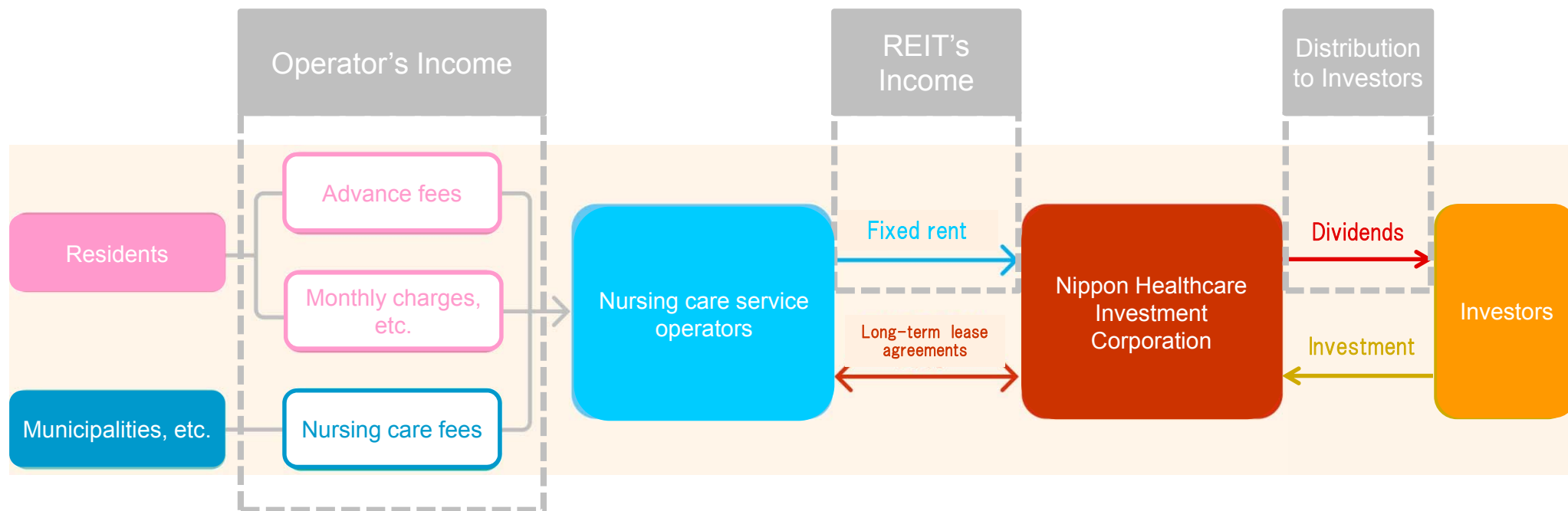
Requiring nursing care

Independent

Residents' physical condition

Source: KPMG Healthcare Japan Co., Ltd.

Framework of stable cash flow



Remaining Lease Contract Period of Each Property

Operator	Property name	Contract expiry date	Remaining lease contract period
Wisnet	Minna-no-ie Chuo-ku En'nami	March 31, 2044	27.4 years
	Minna-no-ie Omiya Yoshinocho	February 28, 2037	20.3 years
Super Court	Super Court JR Nara-Ekimae	July 14, 2039	22.7 years
Charm Care Corporation	Charm Sweet Ryokuchi Koen	August 28, 2038	21.8 years
Silver Heights Sapporo	Silver Heights Hitsujigaoka No.3	November 30, 2035	19.1 years
Anabuki Medical Care	Alpha Living Okayama Nishigawa Ryokudokoen	June 30, 2035	18.7 years
	Alpha Living Okayama Korakuen		
	Alpha Living Takamatsu Ekimae		
	Alpha Living Takamatsu Hyakkenmachi		
Sompo Care Next	Rest Villa Kinugasayama Koen	September 11, 2034	17.9 years
	Rest Villa Hiroshima Hikarigaoka	March 28, 2034	17.4 years
	Rest Villa Sagamihara Chuo		
Sawayaka Club	Sawayaka Hinodekan	November 30, 2034	18.1 years
	Sawayaka Riverside Kurinoki		
	Sawayaka Obatake Sanbankan		
	Sawayaka Kaikyokan	March 27, 2034	17.4 years
	Sawayaka Meisuikan		
	Sawayaka Heart Life Nishikyogoku		
Nichii Gakkan	Nichii Care Center Fukushima Omori	March 31, 2034	17.4 years
Nihon Kaigo Iryo Center	Verger Hirakata	March 28, 2034	17.4 years
Cedar	La'nassica Arakogawa	March 31, 2028	11.4 years
Sompo Care Message Inc.	Sompo no ie Nishitanabeekimae	March 31, 2027	10.4 years
Average remaining period			18.5 years

(Note) "Remaining Lease Contract Period" indicates period remaining as of October 31, 2016. "Average remaining period" is a weighted average with acquisition prices, rounded to one decimal place.

(Reference) History of Revisions to Nursing Care Fees

Time of revision	Main points of revision	Rate of revision
FY 2003 revision	<ul style="list-style-type: none"> ■ Enhancement of appropriateness of facility services, etc. <ul style="list-style-type: none"> ➢ Improvement in service quality and appropriateness ▪ Adjusting service fees by taking into account the difference in income and expenditure of facilities <ul style="list-style-type: none"> ➢ Assessment of at-home services for encouraging self-support ▪ Enhancing livelihood support of home-visit nursing care, additional payment for rehabilitation implemented individually, etc. 	-2.3% [At-home: +0.1%] [Facility: -4.0%]
FY 2005 revision (Enforced in October 2005)	<ul style="list-style-type: none"> ■ Securement of fairness between at-home care and facility services, etc. <ul style="list-style-type: none"> ➢ Review of nursing care fees related to living costs and meal costs 	
FY 2006 revision	<ul style="list-style-type: none"> ■ Promotion of encouraging self-support and at-home nursing care <ul style="list-style-type: none"> ➢ Promotion of nursing care prevention and rehabilitation <ul style="list-style-type: none"> ▪ Changing prevention benefits provision from piecework payment to comprehension payment by month ➢ Reinforcement of support for those requiring medium- to high- levels of nursing care <ul style="list-style-type: none"> ▪ Additional payment for home-visit long-term care and home-visit nursing care provided to those requiring high level of cares, etc. 	-0.5% 【-2.4%】 [At-home: -0.1%] 【-1.0%】 [Facility: ±0.0%] 【-4.0%】 【】 : Rate of revision including revision in FY2005
FY 2009 revision	<ul style="list-style-type: none"> ■ Improvement in working conditions of care providers <ul style="list-style-type: none"> ➢ Securement of care providers / improvement of working conditions of care providers <ul style="list-style-type: none"> ▪ Additional payment in accordance with care providers' expertise, career, etc. 	+3.0% [At-home: +1.7%] [Facility: +1.3%]
FY 2012 revision	<ul style="list-style-type: none"> ■ Securement of improved working conditions for care staff and promotion of community comprehensive care <ul style="list-style-type: none"> ➢ Foundation of additional payment for improving working conditions ➢ Establishment of new services such as around-the-clock periodical door-to-door service 	+1.2% [At-home: +1.0%] [Facility: +0.2%]
FY 2014 revision	<ul style="list-style-type: none"> ■ Response to increased burden due to the consumption tax hike 	+ 0.63%
FY 2015 revision	<ul style="list-style-type: none"> ■ Initiatives for building a "community comprehensive care system" <ul style="list-style-type: none"> ➢ Further reinforcement of care for those requiring medium- to high- levels of nursing care and those with dementia ➢ Promotion of securing care staff ➢ Enhancement of appropriateness of service assessment and establishment of efficient system for providing services 	-2.27% [At-home: -1.42%] [Facility: -0.85%]

Introduction of Operators (1)



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



Nichii Care Center Fukushima Omori



Company name	Sompo Care Next Inc.
Head office	4-12-8 Higashi Shinagawa, Shinagawa-ku, Tokyo
Representative director	Representative director, Ken Endo
Established	November 11, 1992
Capital	5,095 million yen
Attributes (listed market)	Consolidated subsidiary of Sompo Holdings, Inc. (First Section of the Tokyo Stock Exchange, Securities code: 8630)
Principal businesses	Fee-based nursing homes for the elderly, fee-based assisted-living homes for the elderly, outpatient day long-term care (day service) business, home-visit long-term care (home help service) business, home-visit nursing business, in-home long-term care support business
Parent company	Sompo Holdings, Inc.



Sompo Care LAVIERE
Kinugasayama Koen



Sompo Care LAVIERE
Hiroshima Hikarigaoka



Sompo Care LAVIERE
Sagamihara Chuo



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



Sawayaka Hinodekan



Sawayaka Obatake Sanbankan



Sawayaka Meisuikan



Sawayaka Kaikyokan



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



La'nassica Arakogawa

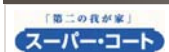
Introduction of Operators (2)



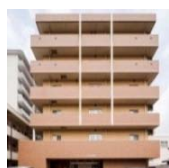
Company name	Charm Care Corporation
Head office	3-6-32 Nakanoshima, Kita-ku, Osaka-shi, Osaka
Representative director	Representative director, Takahiko Shimomura
Established	August 22, 1984
Capital	192 million yen
Attributes (listed market)	Listed company (JASDAQ of the Tokyo Stock Exchange, Securities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



Charm Sweet Ryokuchi Koen



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



Super Court JR Nara-Ekimae



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



Verger Hirakata



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



Minna-no-ie Omiya Yoshinocho



Minna-no-ie Chuo-ku En'nami

Introduction of Operators (3)



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



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



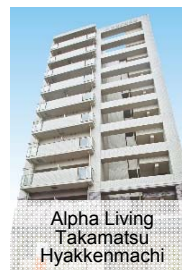
Alpha Living Okayama
Nishigawa
Ryokudokoen



Alpha Living Okayama Korakuen



Alpha Living Takamatsu
Ekimae



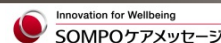
Alpha Living
Takamatsu
Hyakkenmachi



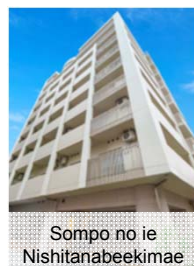
Backup operator for Silver Heights Hitsujigaoka No.3

Living Platform, Ltd. agreed with Silver Heights Sapporo Co., Ltd. to provide mutual managerial and financial support, and concluded, on September 7, 2015, a business partnership agreement which confirms development of management system together as group companies.

Company name	Living Platform, Ltd
Head office	20-291, Minami Nijo-nishi, Chuo-ku, Sapporo-shi, Hokkaido
Representative director	Representative director, Hirofumi Kaneko
Established	June 2011
Capital	79 million yen
Attributes (listed market)	Unlisted company
Principal businesses	Nursing care-related business (nursing care business, operation of fee- based homes for the elderly, etc.), real estate management, advertising, etc.



Company name	Sompo Care Message Inc.
Head office	522-1, Nishiichi, Minami-ku, Okayama-shi, Okayama
Representative director	Representative director, Tetsuya Kikui
Established	May 1997
Capital	3,925 million yen
Attributes (listed market)	Listed company (JASDAQ Standard on the Tokyo Stock Exchange, Securities Code: 2400)
Principal businesses	Operation of fee-based homes for the elderly, elderly housing with supportive services and group homes; Home-visit care (home assistance) service business
Parent company	Sompo Holdings Inc.



Sompo no ie
Nishitanabeekimae

(Note) Sompo Care Message Inc. is scheduled to be delisted on January 16, 2017.

Ranking of Operators Based on the Number of Rooms

Ranking (Note 1)	Company name	Fee-based homes for the elderly with nursing care		Residential-type fee-based homes for the elderly		Other housing for the elderly		Total (Note 2)	
		Number of facilities	Number of rooms	Number of facilities	Number of rooms	Number of facilities	Number of rooms	Number of facilities	Number of rooms
1	Sompo Holdings Inc. (Note 3)	294	18,310	5	112	134	7,687	454	26,585
2	Company A	248	13,183	44	2,540	3	159	297	15,900
3	Nichiigakkan Co., Ltd.	134	8,095	2	100	6	238	417	13,361
4	Company B	120	7,629	43	2,708	-	-	163	10,337
5	Company C	57	4,556	32	3,039	-	-	90	7,607
6	Company D	13	952	10	184	12	247	150	6,718
7	Company E	9	630	1	26	4	70	257	5,378
8	Company F	35	2,028	49	3,076	2	140	90	5,307
9	Company G	70	4,178	5	350	6	206	90	4,905
10	Company H	18	1,668	13	966	2	163	48	4,685
11	Company I	31	1,556	3	106	92	3,012	126	4,674
12	Company J	8	228	8	197	75	4,163	94	4,633
13	Company K	11	3,613	4	824	-	-	15	4,437
14	Company L	38	2,091	4	100	7	293	153	4,405
15	Sawayaka Club Co., Ltd.	48	3,233	15	818	1	103	75	4,332
16	Company M	47	3,143	9	564	1	60	62	4,074
17	ALSOK Group (Note 4)	44	2,031	3	92	6	175	133	3,899
18	Company N	3	290	-	-	17	3,200	20	3,490
19	Company O	26	2,025	-	-	10	724	67	3,325
20	Company P	-	-	-	-	101	3,230	101	3,230
21	Super Court Co., Ltd.	17	1,086	25	1,835	2	76	44	2,997
22	Company Q	3	111	4	102	5	192	59	2,732
23	Company R	20	1,596	9	479	5	297	39	2,444
24	Company S	24	1,343	-	-	-	-	80	2,378
25	Company T	4	314	21	1,884	2	166	27	2,364
26	Company U	21	1,792	-	-	6	494	28	2,313
27	Cedar Co., Ltd.	39	2,220	-	-	-	-	42	2,265
28	Company V	5	246	4	78	7	195	68	2,247
29	Charm Care Corporation	30	2,053	1	103	1	84	32	2,240
30	Company W	7	2,183	-	-	-	-	7	2,183

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

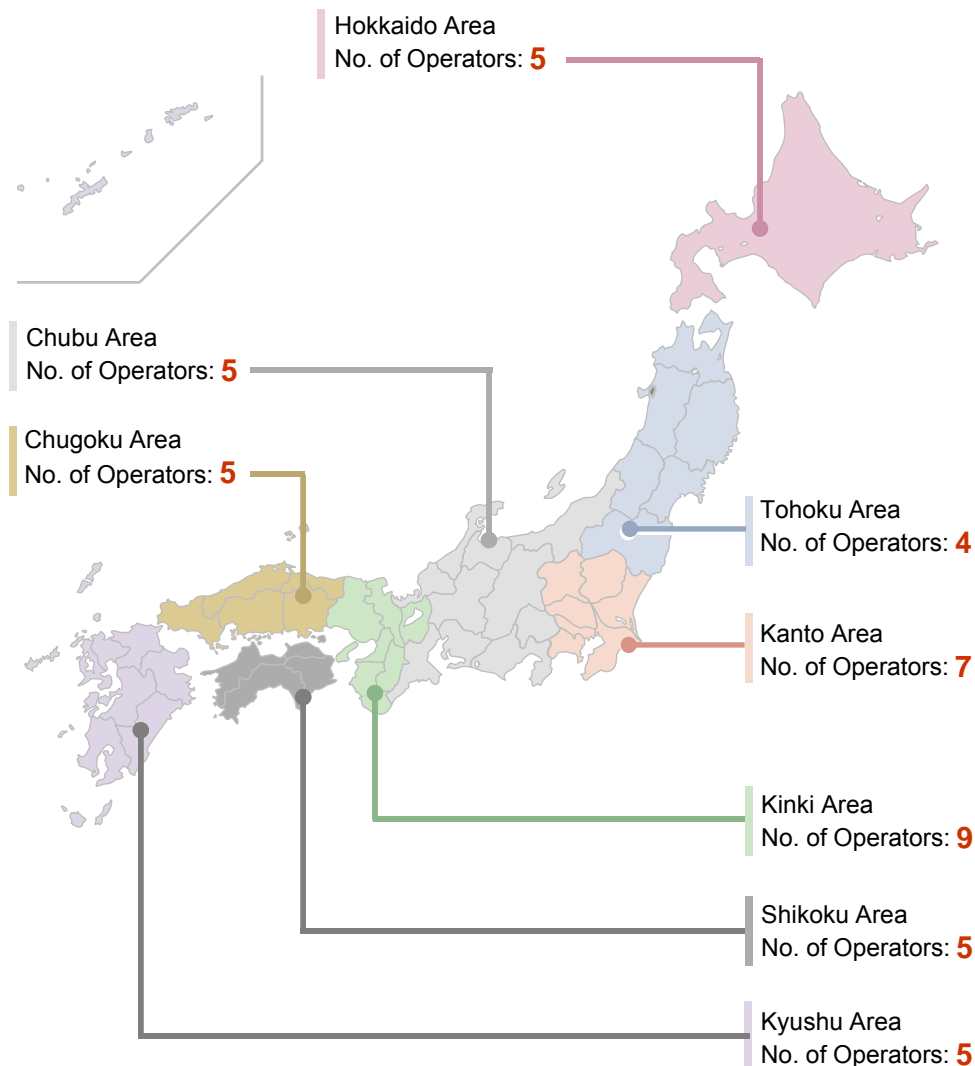
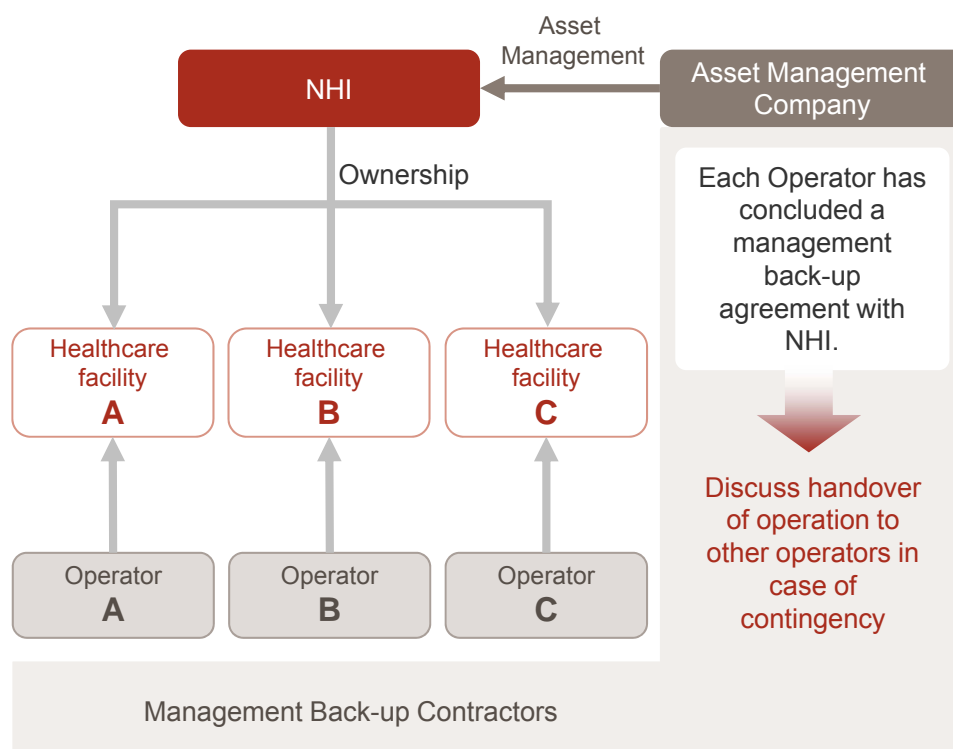
(Note 2) The total figures include group homes for the elderly with dementia and other facilities for the elderly operated by related companies.

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

(Note 3) The figures are sum of Sompo Care Message and Sompo Care Next's.

(Note 4) The figures are those of Wisnet.

Management Back-up Agreement



Appraisal Value at End of Fiscal Period (as of October 31, 2016)

Property name	Appraiser	End of 5th FP							End of 4th FP	Difference (End of 5th FP - End of 4th FP)
		Appraisal value (million yen)	Overview of appraisal report						Appraisal value (million yen)	
			Direct capitalization method		DCF method			Appraisal NOI (million yen)		
			Price (million yen)	Cap rate (%)	Price (million yen)	Discount rate (%)	Terminal cap rate (%)			
Nichii Care Center Fukushima Omori	Japan Real Estate Institute	353	357	5.7	349	5.5	5.9	22	349	4
Sompo Care LAVIERE Hiroshima Hikarigaoka	Japan Real Estate Institute	1,230	1,240	5.2	1,210	5.0	5.4	69	1,220	10
Sompo Care LAVIERE Sagamihara Chuo	Daiwa Real Estate Appraisal Co., Ltd.	1,750	1,770	4.9	1,740	4.7	5.1	88	1,720	30
Charm Sweet Ryokuchi Koen	Daiwa Real Estate Appraisal Co., Ltd.	3,060	3,100	4.6	3,040	4.4	4.8	144	3,030	30
Sawayaka Kaikyokan	Japan Real Estate Institute	897	906	5.3	888	5.1	5.5	50	886	11
Sawayaka Meisuikan	Japan Real Estate Institute	812	819	5.3	805	5.1	5.5	47	802	10
Sawayaka Heart Life Nishikyogoku	Daiwa Real Estate Appraisal Co., Ltd.	1,210	1,220	4.9	1,200	4.7	5.1	60	1,210	0
Verger Hirakata	Daiwa Real Estate Appraisal Co., Ltd.	1,590	1,610	5.2	1,580	5.0	5.4	85	1,570	20
Sompo Care LAVIERE Kinugasayama Koen	The Tanizawa Sōgō Appraisal Co., Ltd.	2,060	2,080	4.8	2,050	4.9	5.0	100	2,030	30
La'nassica Arakogawa	The Tanizawa Sōgō Appraisal Co., Ltd.	1,430	1,440	5.1	1,420	5.2	5.3	74	1,410	20
Sawayaka Hinodekan	Daiwa Real Estate Appraisal Co., Ltd.	938	950	4.9	933	4.7	5.1	47	924	14
Sawayaka Riverside Kurinoki	Daiwa Real Estate Appraisal Co., Ltd.	323	329	5.0	321	4.8	5.2	17	319	4
Sawayaka Obatake Sanbankan	Daiwa Real Estate Appraisal Co., Ltd.	355	360	5.1	353	4.9	5.3	18	350	5
Super Court JR Nara-Ekimae	The Tanizawa Sōgō Appraisal Co., Ltd.	1,750	1,770	5.0	1,740	5.1	5.2	91	1,720	30
Minna-no-ie Omiya Yoshinocho	The Tanizawa Sōgō Appraisal Co., Ltd.	799	807	4.9	795	5.0	5.1	40	785	14
Minna-no-ie Chuo-ku En'nami	Japan Real Estate Institute	890	900	4.9	880	4.7	5.1	44	885	5
Silver Heights Hitsujigaoka No.3	Daiwa Real Estate Appraisal Co., Ltd.	1,330	1,340	4.9	1,330	4.7	5.1	70	1,320	10
Alpha Living Okayama Nishigawa Ryokudokoen	Daiwa Real Estate Appraisal Co., Ltd.	790	804	4.5	784	4.3	4.7	37	776	14
Alpha Living Okayama Korakuen	Daiwa Real Estate Appraisal Co., Ltd.	672	683	4.6	667	4.4	4.8	32	661	11
Alpha Living Takamatsu Ekimae	Daiwa Real Estate Appraisal Co., Ltd.	641	653	4.6	636	4.4	4.8	30	631	10
Alpha Living Takamatsu Hyakkenmachi	Daiwa Real Estate Appraisal Co., Ltd.	627	635	4.7	624	4.5	4.9	31	617	10
Sompo no ie Nishitanabeekimae	The Tanizawa Sōgō Appraisal Co., Ltd.	744	748	4.7	742	4.7	4.9	36	-	-
Total		24,251	24,521	-	24,087	-	-	1,243	23,215	292

(Note) Difference of appraisal value does not include properties acquired in the 5th FP.

Management Improvement Case of the Portfolio

La'nassica Arakogawa (Acquisition price: 1,279 million yen)



Operator	Cedar Co., Ltd.
Nursing Insurance Type	Nagoya-shi designated specific facility resident home for care
Care System	Care staff + Nursing staff : user = 1 : 3
Nursing System	24 hour nurse resident facility
Cooperative Medical Organization	Nagoyaekisaikai hospital / Medical cooperation Keiseikai Tikusasan Clinic / Medical cooperation Jyunseikai Toyo hospital, others
Entering Requirement	Nursing care
Location	Takagi-cho, Minato-ku, Nagoya-shi, Aichi

Site Area	1,829.55m ²
Total Floor Area	3,596.40m ²
Structure / floors	S / 4F
Condition of Rights	Rights to use method
Number of Rooms	100 rooms
Rooms (all private)	Room Size : 18.00~19.65m ²
Opening Date	June 1, 2008



Mockup



Function Training Room



Cafeteria

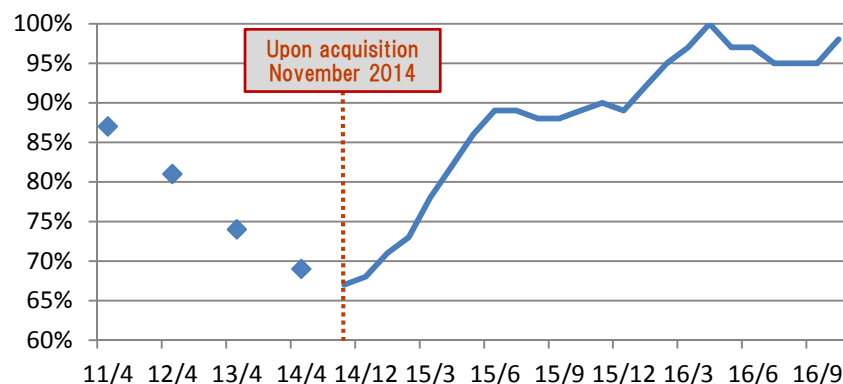


Karaoke-room



Theater room





La'nassica Arakogawa Change in Occupancy Rates



As a result of proposal / consultation on management and operation methods by monitoring, management improved

- **Condition at the time of acquisition**
 - Lack of care staff and difficulty of recruitment influenced the acceptance of new residents.
- **Stability 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.
 - Siphon improvement tasks of daily work and executed communication enhancement with each personnel.
 - Reviewed schemes related to training, qualification, salaries and remuneration and conducted other measures in the operator and accordingly succeeded in securing human resources.
- **Improvement in occupancy rates**
 - The director and the move-in staffs personally deployed active marketing to hospitals, medical facilities, in-home long-term care support offices, health and welfare for the elderly and expanded range of marketing and practiced reinforcement of marketing.
 - Raised the occupancy rate at 100% at the end of April, 2016 and has been maintaining such a level.

Portfolio List (1)

Property name	Nichii Care Center Fukushima Omori	Sompo Care LAVIERE Hiroshima Hikarigaoka	Sompo Care LAVIERE Sagamihara Chuo	Charm Sweet Ryokuchi Koen	Sawayaka Kaikyokan
					
Location (residential address)	21-3 Omori Ojibouchi, Fukushima-shi, Fukushima	2-40 Hikarigaoka, Higashi-ku, Hiroshima-shi, Hiroshima	3-6-3 Chuo, Chuo-ku, Sagamihara-shi, Kanagawa	3-2-21 Nishiizumigaoka, Toyonaka-shi, Osaka	1-11-13 Hama-machi, Wakamatsu-ku, Kitakyushu-shi, Fukuoka
Access	Approximately 2.2km from Fukushima Station on the JR Tohoku Main Line	Approximately 1.1km from Hiroshima Station on the JR Sanyo Main Line	Approximately 1.2km from Sagamihara Station on the JR Yokohama Line	Approximately 1.4km from Ryokuchi-koen Station on the Kita-Osaka Kyuko Railway Namboku Line	Approximately 1.1km from Wakamatsu Station on the JR Chikuhō Main Line
Acquisition price (million yen)	265	960	1,170	1,950	630
Real estate appraisal value (million yen) (Note 1)	353	1,230	1,750	3,060	897
NOI yield (%) (Note 2)	8.6	7.2	7.6	7.4	8.0
Depreciation (million yen) (Note 3)	4	9	9	15	7
Structure / floors (Note 4)	S/3F	RC/7F	RC/5F	RC/B1・5F	RC/6F
Leasable area (m ²)	1,964.68	4,133.82	3,732.95	5,329.73	2,694.42
Total leased area (m ²)	1,964.68	4,133.82	3,732.95	5,329.73	2,694.42
Number of rooms (rooms)	52	80	80	128	65
Occupancy rate (%) (Note 5)	100.0	83.7	61.2	96.0	100.0
Operator	Nichii Gakkan Company	Sompo Care Next Inc.	Sompo Care Next Inc.	Charm Care Corporation	Sawayaka Club Co., Ltd.
Remaining lease contract period (year) (Note 6)	17.4	17.4	17.4	21.8	17.4

(Note 1) Appraisal values are as of October 31, 2016.

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

(Note 3) Figures for depreciation are actual figures of the 5th FP ended in Oct, 2016.

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

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

(Note 6) Remaining lease contract periods are as of October 31, 2016.

Portfolio List (2)

Property name	Sawayaka Meisukan	Sawayaka Heart Life Nishikyogoku	Verger Hirakata	Sompo Care LAVIERE Kinugasayama Koen	La'nassica Arakogawa
					
Location (residential address)	5-7-6 Higashinarumizu, Yahatanishi-ku, Kitakyushu-shi, Fukuoka	8 Tsutsumishita-cho, Nishikyogoku, Ukyo-ku, Kyoto-shi, Kyoto	2-20-4 Koyamichi, Hirakata-shi, Osaka	4-8-15 Koyabe, Yokosuka-shi, Kanagawa	4-34-1 Takagi-cho, Minato-ku, Nagoya-shi, Aichi
Access	Approximately 2km from Kurosaki Station on the JR Kagoshima Main Line	Approximately 1.2km from Nishikyogoku Station on the Hankyu Kyoto Line	Approximately 3.5km from Kuzuha Station on the Keihan Main Line	Approximately 1.2km from Kinugasa Station on the JR Yokosuka Line	Approximately 1.4km from Arakogawa-koen Station on the Nagoya Rinkai-kosoku Railway Aonami Line
Acquisition price (million yen)	590	750	950	1,839	1,279
Real estate appraisal value (million yen) (Note 1)	812	1,210	1,590	2,060	1,430
NOI yield (%) (Note 2)	8.1	8.1	9.0	5.5	5.8
Depreciation (million yen) (Note 3)	7	6	9	16	17
Structure / floors (Note 4)	RC/B1・6F	RC/6F	RC/5F	RC/B1・5F	S/4F
Leasable area (m ²)	4,553.67	2,459.19	2,925.25	4,265.88	3,590.40
Total leased area (m ²)	4,553.67	2,459.19	2,925.25	4,265.88	3,590.40
Number of rooms (rooms)	87	84	104	104	100
Occupancy rate (%) (Note 5)	100.0	94.0	73.8	93.2	95.0
Operator	Sawayaka Club Co., Ltd.	Sawayaka Club Co., Ltd.	Nihon Kaigo Iryo Center Co., Ltd.	Sompo Care Next Inc.	Cedar Co., Ltd.
Remaining lease contract period (year) (Note 6)	17.4	17.4	17.4	17.9	11.4

(Note 1) Appraisal values are as of October 31, 2016.

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







(Note 3) Figures for depreciation are actual figures of the 5th FP ended in Oct, 2016..

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

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

(Note 6) Remaining lease contract periods are as of October 31, 2016.

Portfolio List (3)

Property name	Sawayaka Hinodekan	Sawayaka Riverside Kurinoki	Sawayaka Obatake Sanbankan	Super Court JR Nara-Ekimae	Minna-no-ie Omiya Yoshinocho	Minna-no-ie Chuo-ku En'nami
						
Location (residential address)	2-2-33 Hinode, Chuo-ku, Niigata-shi, Niigata	2-2-43 Hinode, Chuo-ku, Niigata-shi, Niigata	1-6-37 Obatake, Kokurakita-ku, Kitakyushu-shi, Fukuoka	1-5-35 Omiyacho, Nara-shi, Nara	2-214-3 Yoshinocho, Kita-ku, Saitama-shi, Saitama	5-5-17 En'nami, Chuo-ku, Saitama-shi, Saitama
Access	Approximately 1.7km from Niigata Station on the JR Joetsu Shinkansen and Shinetsu Main Line	Approximately 1.65km from Niigata Station on the JR Joetsu Shinkansen and Shinetsu Main Line	Approximately 2.5km from Kokura Station on the JR Kagoshima Main Line	Approximately 280m from Nara Station on the JR Kansai Main Line	Approximately 2.5km from Miyahara Station on the JR Takasaki Line	Approximately 2.4km from Kitayono Station on the JR Saikyo Line
Acquisition price (million yen)	773	266	289	1,569	740	838
Real estate appraisal value (million yen) (Note 1)	938	323	355	1,750	799	890
NOI yield (%) (Note 2)	6.2	6.4	6.5	5.8	5.4	5.3
Depreciation (million yen) (Note 3)	8	3	4	17	6	8
Structure / floors (Note 4)	S/3F	S/4F	S/3F	RC/7F	RC/4F	RC/3F
Leasable area (m ²)	2,674.37	1,349.39	1,411.78	5,057.07	1,800.03	1,963.03
Total leased area (m ²)	2,674.37	1,349.39	1,411.78	5,057.07	1,800.03	1,963.03
Number of rooms (rooms)	50	33	50	155	33	51
Occupancy rate (%) (Note 5)	86.0	92.3	92.0	88.3	100.0	52.9
Operator	Sawayaka Club Co., Ltd.	Sawayaka Club Co., Ltd.	Sawayaka Club Co., Ltd.	Super Court Co., Ltd.	Wisnet Co., Ltd.	Wisnet Co., Ltd.
Remaining lease contract period (year) (Note 6)	18.1	18.1	18.1	22.7	20.3	27.4

(Note 1) Appraisal values are as of October 31, 2016.

(Note 2) NOI yields are calculated by dividing the appraisal NOI by the acquisition price, rounded to the first decimal place







(Note 3) Figures for depreciation are actual figures of the 5th FP ended in Oct, 2016.

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

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

(Note 6) Remaining lease contract periods are as of October 31, 2016.

Portfolio List (4)

Property name	Silver Heights Hitsujigaoka No.3	Alpha Living Okayama Nishigawa Ryokudokoen	Alpha Living Okayama Korakuen	Alpha Living Takamatsu Ekimae	Alpha Living Takamatsu Hyakkenmachi	Sompo no ie Nishitanabeekimae
						
Location (residential address)	15-4-38, Tsukisamu Higashi Shijo, Toyohira- ku, Sapporo-shi, Hokkaido	6-2 Chuo-cho, Kita-ku, Okayama-shi, Okayama	1-11-4, Hama, Naka-ku, Okayama-shi, Okayama	1-6, Nishiuchi-machi, Takamatsu-shi, Kagawa	8-11, Hyakken-machi, Takamatsu-shi, Kagawa	1-1-21 Nishitanabe-cho, Abeno-ku, Osaka-shi, Osaka
Access	Approximately 1.2km from Nango Juhatchome Station on the Tozai Line of the Sapporo Municipal Subway	Approximately 1.5km from Okayama Station on the JR Sanyo Main Line	Approximately 1.9km from Okayama Station on the JR Sanyo Main Line	Approximately a five- minute walk from Takamatsu Station on the JR Yosai Line	Approximately 1.1km from Takamatsu Station on the JR Yosai Line	Approximately a two- minute walk from Nishitanabe Station on the Osaka Municipal Subway Midosuji Line.
Acquisition price (million yen)	1,200	730	610	605	605	710
Real estate appraisal value (million yen) (Note 1)	1,330	790	672	641	627	744
NOI yield (%) (Note 2)	5.9	5.1	5.3	5.1	5.2	5.1
Depreciation (million yen) (Note 3)	8	7	4	6	6	0
Structure / floors (Note 4)	RC/3F	RC/7F	RC/4F	RC/6F	RC/10F	RC/9F
Leasable area (m ²)	7,267.56	2,124.16	2,128.44	1,848.06	1,929.16	2,095.79
Total leased area (m ²)	7,267.56	2,124.16	2,128.44	1,848.06	1,929.16	2,095.79
Number of rooms (rooms)	109	53	45	43	50	42
Occupancy rate (%) (Note 5)	92.7	61.8	62.5	90.9	96.2	85.7
Operator	Silver Heights Sapporo Co., Ltd.	Anabuki Medical Care Inc.	Anabuki Medical Care Inc.	Anabuki Medical Care Inc.	Anabuki Medical Care Inc.	Sompo Care Message Inc.
Remaining lease contract period (year) (Note 6)	19.1	18.7	18.7	18.7	18.7	10.4

(Note 1) Appraisal values are as of October 31, 2016.

(Note 2) NOI yields are calculated by dividing the appraisal NOI by the acquisition price, rounded to the first decimal place

(Note 3) Figures for depreciation are actual figures of the 5th FP ended in Oct. 2016.

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

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

(Note 6) Remaining lease contract periods are as of October 31, 2016.

Balance Sheets for 5th Fiscal Period Ended October 2016

		4th FP Actual		5th FP Actual	
		Amount (million yen)	Ratio	Amount (million yen)	Ratio
Assets	Current Assets	1,619	7.8%	1,487	7.0%
	Cash and deposits	1,193		1,029	
	Cash and deposits in trust	407		436	
	Other current assets	17		21	
	Fixed Assets	19,228	92.2%	19,827	93.0%
	Tangible fixed assets	19,151	91.9%	19,757	92.7%
	Buildings and others (including trust property)	11,622		11,808	
	Land and others (including trust property)	7,528		7,949	
	Intangible fixed assets	43	0.2%	43	0.2%
	Leasehold rights and leasehold rights in trust	40		40	
	Other intangible fixed assets	2		2	
	Investments and other assets	33	0.2%	27	0.1%
	Leasehold and security deposits paid in trust	10		10	
	Long-term prepaid expenses	23		17	
	Total Assets	20,847	100.0%	21,315	100.0%

		4th FP Actual		5th FP Actual	
		Amount (million yen)	Ratio	Amount (million yen)	Ratio
Liabilities	Current Liabilities	158	0.8%	2,489	11.7%
	Operating account payables	23		24	
	Short-term loans payable	-		500	
	Current portion of long-term loans payable	-		1,800	
	Account payables – other	57		75	
	Advances received	74		85	
	Other current liabilities	2		4	
	Fixed Liabilities	10,019	48.1%	8,230	38.6%
	Long-term loans payable	9,300		7,500	
	Tenant leasehold and security deposits	719		730	
	Total Liabilities	10,178	48.8%	10,720	50.3%
Net Assets	Unitholders' equity (net)	10,408	49.9%	10,348	48.5%
	Unitholders' equity	10,504		10,504	
	Deduction from unitholders' equity	-95		-155	
	Unappropriated retained earnings	260	1.2%	246	1.2%
	Total Net Assets	10,669	51.2%	10,595	49.7%
Total Liabilities and Net Assets		20,847	100.0%	21,315	100.0%

Status of Unitholders as of the end of October 2016

Ownership ratio of investment units by category

Category of unitholders	Number of units at the end of 4th FP	Number of units at the end of 5th FP	Increase/decrease from the previous FP	Ratio at the end of 5th FP*
Individual/others	38,066	35,829	-2,237	48.01%
Financial institutions	19,837	23,187	3,350	31.07%
Major city banks	0	0	0	0.00%
Regional banks	1,595	1,792	197	2.40%
Trust banks	14,975	17,728	2,753	23.75%
Life insurance companies	286	286	0	0.38%
Non-life insurance companies	0	0	0	0.00%
Other financial institutions	2,981	3,381	400	4.53%
Other domestic companies	12,015	12,146	131	16.27%
Foreigners	3,710	2,439	-1,271	3.27%
Securities companies	1,004	1,031	27	1.38%
Total	74,632	74,632	0	100.00%

*Rounded to two decimal places.

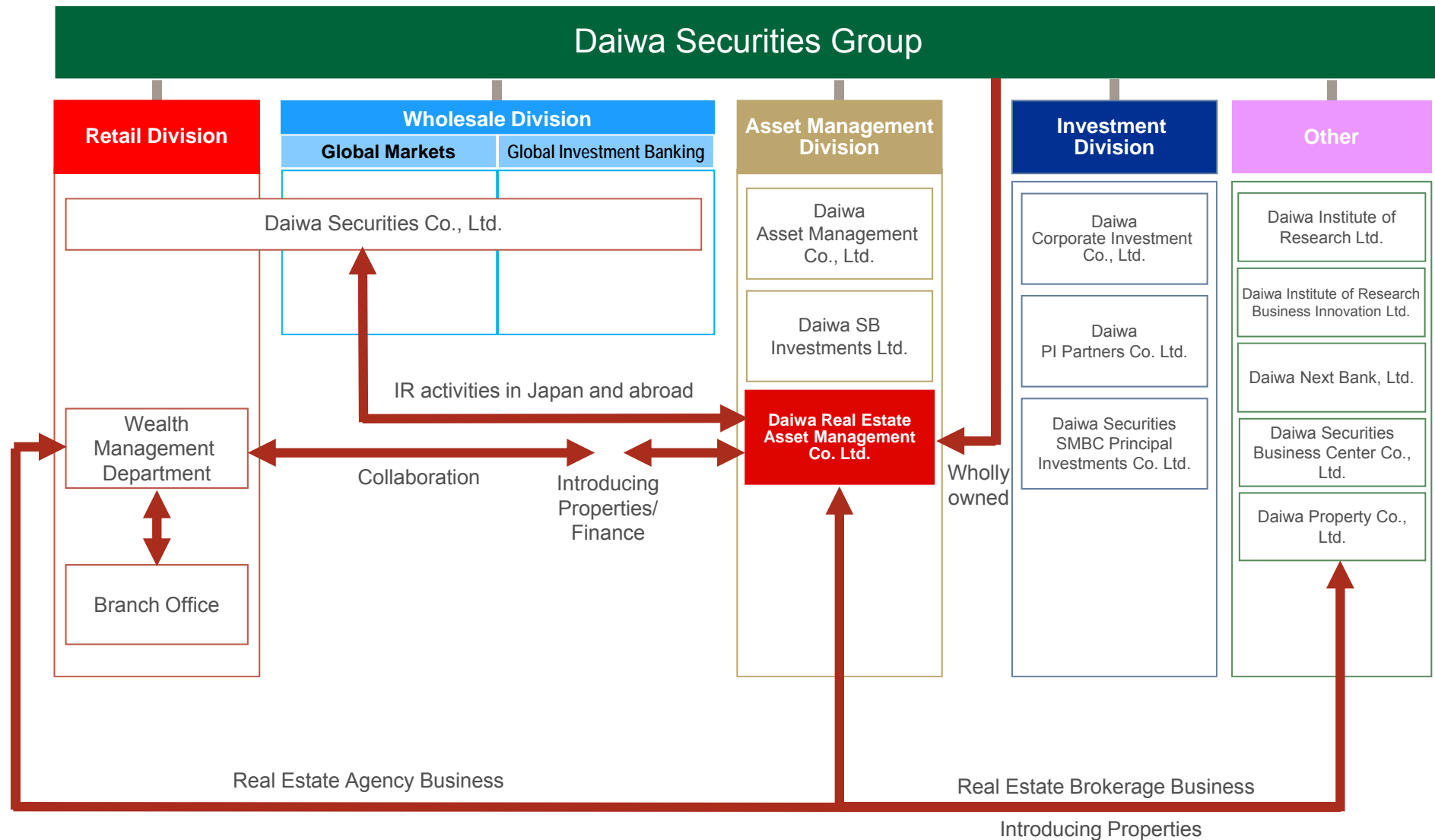
Major unitholders (top 10)

No.	Name	Number of units held at the end of 4th FP	Number of units held at the end of 5th FP	Increase/decrease from the previous FP	Ratio at the end of 5th FP*
1	Daiwa Securities Group Inc.	7,600	0	7,600	10.18%
2	The Master Trust Bank of Japan, Ltd. (Investment Trust Account)	5,291	385	5,676	7.61%
3	Japan Trustee Services Bank Ltd. (Trust Investment Trust Account)	4,829	773	5,602	7.51%
4	Trust & Custody Services Bank Ltd. (Trust Investment Trust Account)	2,969	914	3,883	5.20%
5	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	1,416	457	1,873	2.51%
6	Daiwa Real Estate Asset Management Co. Ltd.	1,000	0	1,000	1.34%
7	THE BANK OF NEW YORK MELLON 140044	0	850	850	1.14%
8	Fukui Medical Credit Association	365	380	745	1.00%
8	YONEZAWA SHINKIN BANK	700	0	700	0.94%
10	Osaka Shinkin Bank	607	83	690	0.92%
Total		24,777	3,842	28,619	38.35%

*Rounded to two decimal places.

Introduction of Asset Management Company

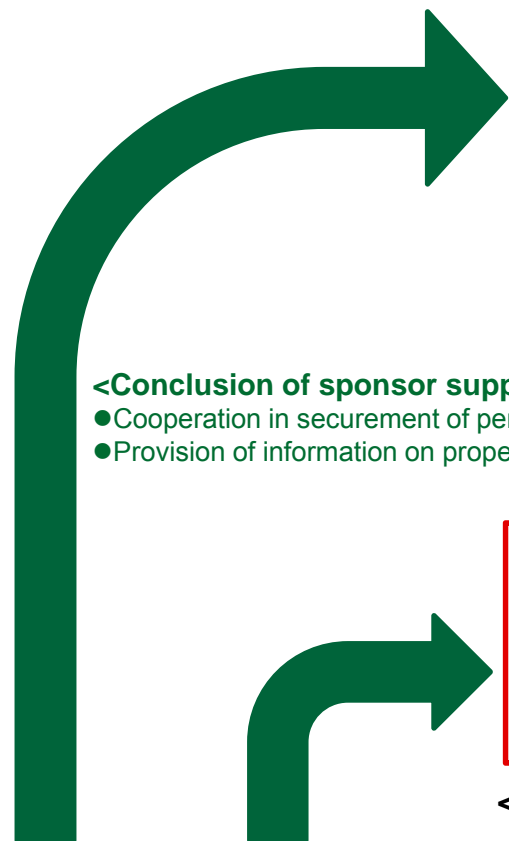
Position of the Asset Management Company in Daiwa Securities Group





Support and Independence

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



<Conclusion of sponsor support agreement>

- Cooperation in securement of personnel
- Provision of information on properties, etc.

Investment Corporation

日本ヘルスケア投資法人

Nippon Healthcare Investment Corporation

Asset Management

Asset Management Company

大和リアル・エステート・アセット・マネジメント

Daiwa Real Estate Asset Management

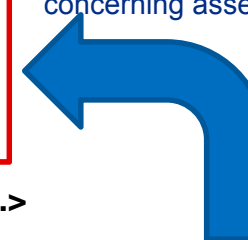
<Invested 100% by Daiwa Securities Group Inc.>

Operator

- Sawayaka Club Co., Ltd.
- Super Court Co., Ltd.
- Nichii Gakkan Company
- Sompo Care Next Inc.
- Cedar Co., Ltd.
- Charm Care Corporation
- Nihon Kaigo Iryo Center Co., Ltd.
- Wisnet Co., Ltd.
- Silver Heights Sapporo Co., Ltd.
- Anabuki Medical Care Inc.
- Sompo Care Message Inc.

<Conclusion of advisory agreement>

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



Sponsor

大和証券グループ本社

Daiwa Securities Group Inc.

Support

Advisor



AIP Healthcare Japan



Overview of Asset Management Company (1)

Corporate Profile

As of November 30, 2016

Corporate name	Daiwa Real Estate Asset Management Co. Ltd.
Address	6-2-1 Ginza, Chuo-ku, Tokyo
Established	October 21, 2004
Paid-in capital	200 million yen
Representative Director	Akira Yamanouchi
Board of Directors	9 Executive directors: 4 / Executive auditors: 1 Non-executive directors: 2 / Non-executive auditors: 2
No. of Employees	69 (excluding dispatched employees)
Registered financial instruments firm	Registration No. 355 (Financial Instruments), Director-General, Kanto Local Finance Bureau (Kinsho)
Building lots and buildings transaction business license	License No. (3) 83920, Governor of Tokyo
Discretionary agent for real estate transaction approval	License No. 34, Minister of Land, Infrastructure, Transportation and Tourism
Association membership	Member of The Investment Trusts Association, Japan Member of Japan Investment Advisers Association Member of Type II Financial Instruments Firms Association

Directors

As of November 30, 2016

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

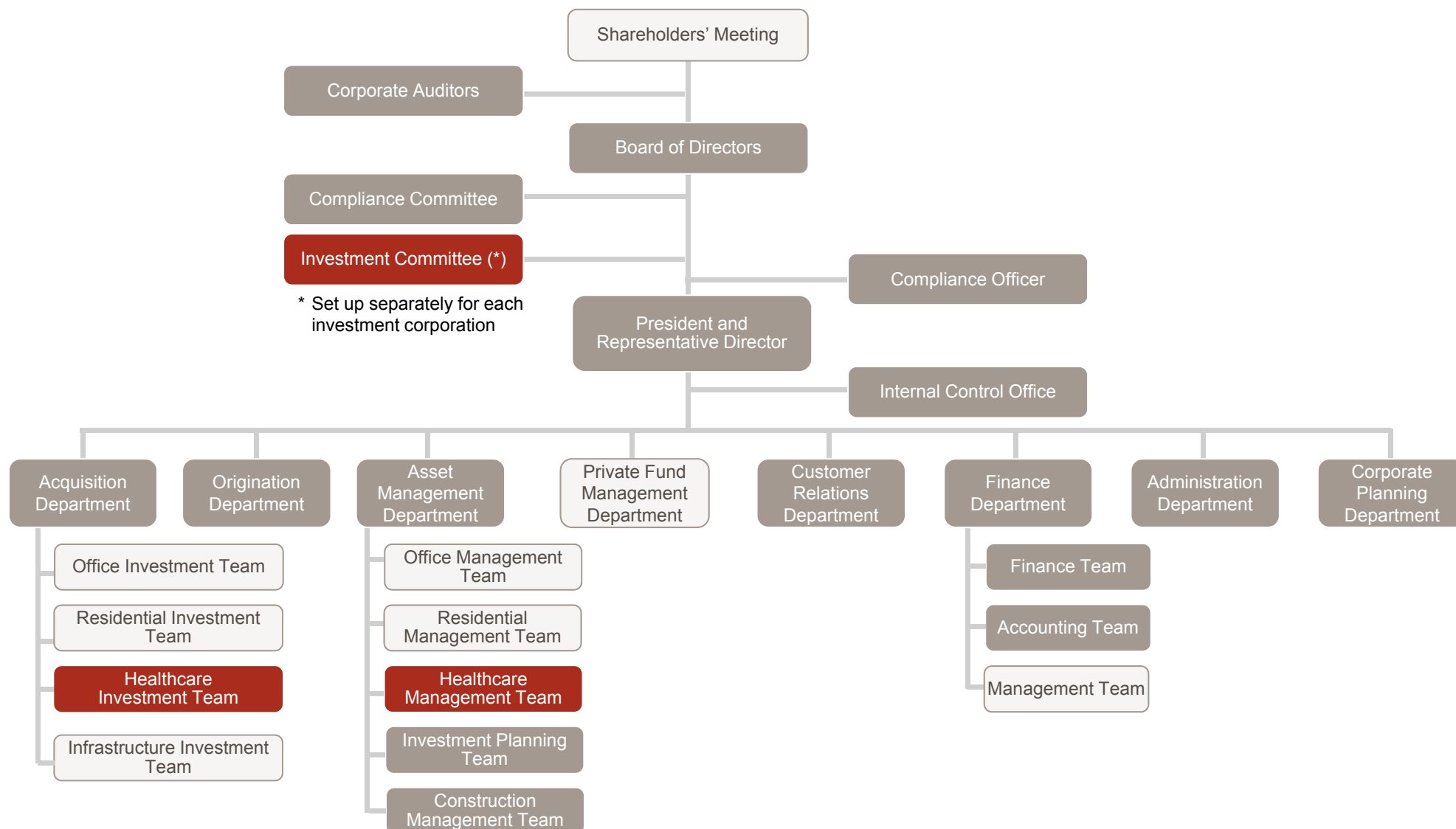
REITs which entrust the asset management to the Asset Management Company

As of November 30, 2016

Daiwa Office Investment Corporation	Listed REIT focusing on office buildings Asset size: approximately 467.7 billion yen (53 properties)
Daiwa Residential Private Investment Corporation	Unlisted REIT focusing on residential properties Asset size: approximately 90.7 billion yen (57 properties)
Nippon Healthcare Investment Corporation	Japan's first listed REIT focusing on healthcare facilities Asset size: approximately 19.3 billion yen (22 properties)

Overview of Asset Management Company (2)

Organization of Asset Management Company



as of 30 November, 2016



Memorandum

