English Translation
The following is an English translation of the original Japanese press release and is being provided for informational purposes only.

March 19, 2020

To All Concerned Parties:

REIT Issuer: Japan Rental Housing Investments Inc.
4-17-33 Minami Aoyama, Minato-ku, Tokyo 107-0062
Representative: Ikuo Shoda, Executive Director
(Securities Code: 8986)
REIT Issuer: Nippon Healthcare Investment Corporation
6-2-1 Ginza, Chuo-ku, Tokyo 104-0061
Representative: Shunichi Suzuki, Executive Director
(Securities Code: 3308)
Asset Manager: Daiwa Real Estate Asset Management Co. Ltd.
Toshio Fukushima, President and Chief Executive Officer
Inquiries: Seiji Kimoto, Deputy Chief Corporate Division Officer
Tel: +81-3-6757-9680
Inquiries: Takashi Chiba, General Manager, Corporate Division
Tel: +81-3-6757-9600

Notice Concerning Revision of Internal Regulations (Management Guidelines) for Investment Policies of New Investment Corporation and Organizational Change at Asset Manager

We hereby give notice that Daiwa Real Estate Asset Management Co., Ltd. (the "Asset Manager"), to which Japan Rental Housing Investments Inc. (trade name to be changed to "Daiwa Securities Living Investment Corporation" on April 1, 2020; "JRH" or "DLI" depending on context) and Nippon Healthcare Investment Corporation ("NHI") entrust the management of their assets, decided at its board of directors' meeting held today to revision, in line with an absorption-type merger with JRH as the surviving corporation and NHI as the absorbed corporation (the "Merger") based on the merger agreement concluded between JRH and NHI on November 19, 2019, the "management guidelines (Daiwa Securities Living Investment Corporation)" (the "DLI Management Guidelines"), which are the internal regulations for DLI's investment policies after the Merger; and to change its organization (the "Organizational Change"). Details are as follows.

The implementation of the DLI Management Guidelines and the Organizational Change is contingent upon the effectuation of the Merger, both of which are scheduled for April 1, 2020.

1. Revision of the Management Guidelines (Changes to the Investment Policies)

(1) Revision of the DLI Management Guidelines

The DLI Management Guidelines will stipulate that, pursuant to the basic stance of the investment policies, DLI works to secure stable distribution for the future and expand the portfolio in a sustainable manner by investing in assets of which the location, size, etc. have been selected carefully based on the characteristics of asset types such as residence and healthcare facilities and flexibly managing them to accommodate change in real estate market trends. Through such, DLI aims to maximize unitholder value as a REIT providing in a comprehensive manner comfortable living spaces that "Support Life and the Lifestyles of Everyone" and are suited to each life stage.

(2) Overview of the DLI Management Guidelines

Described below are the main contents of the DLI Management Guidelines and major changes from the management guidelines of JRH and NHI. For the convenience of explanation, the following covers mainly the changes from the management guidelines for JRH, the surviving corporation. For details of DLI's investment policies, please refer to the extraordinary report submitted by JRH today, available on JRH's website.

(i) Use

As announced in "Notice Concerning Amendment to the Articles of Incorporation and Appointment of Directors" dated December 24, 2019, and "Notice Concerning Resolutions of the 13th General Meeting of Unitholders" dated February 13, 2020, JRH, in line with the Merger, plans to amend the Articles of Incorporation on April 1, 2020, by adding healthcare facilities as its primary investment target; adding the investment criteria for such healthcare facilities and the attitude for sale with respect to real estate owned, which are provided for in NHI's Articles of Incorporation; and also adding new necessary provisions, such as those addressing investment target areas for healthcare facilities, as investment policies of the new investment corporation after the Merger. Along with such change, healthcare facilities, etc. will be included as an addition to rental housing (rental housing and healthcare facilities shall be collectively referred to as "Life and Welfare-Related Facilities" hereinafter) in the main use of real estate in which DLI primarily invests as stipulated in the DLI Management Guidelines.

Specific investment targets are as follows.

a. Rental Housing ("Rental Housing Sector")

Investment targets are residential facilities including rental housing, student apartments/dormitories, corporate housing/dormitories, shared housing and serviced apartments.

As to residential facilities different from regular rental housing, only those which are judged to be capable of securing tenants in a stable manner in the future when considering the characteristics of the real estate, etc. can be acquired.

b. Healthcare Facilities ("Healthcare Facility Sector")

Investment targets are private nursing homes and residential facilities for occupancy or utilization by the elderly (including, but not limited to, buildings that are primarily categorized as fee-based homes for the elderly and elderly housing with support services together with other facilities and housing for the elderly) as well as medical facilities.

DLI will be able to invest, within the incidental scope, in facilities similar to Life and Welfare-Related Facilities, such as educational/nursing facilities for infants and pre-school children that have affinity with healthcare facilities in terms of asset class.

DLI aims to build a portfolio targeting the following incorporation ratio, in principle.

Use category	Target incorporation ratio (Note)
Rental Housing Sector	60% or more
Healthcare Facility Sector	40% or less

(Note) Incorporation ratio is based on acquisition prices (not including taxes and other expenses associated with acquisition).
In addition to the above, DLI will be able to invest in facilities similar to Life and Welfare-Related Facilities, such as educational/nursing facilities for infants and pre-school children. However, the incorporation ratio of assets that do not fall under the definition of Life and Welfare-Related Facilities shall be up to 4% on the basis of acquisition price.

(ii) Region

In terms of stabilizing cash flows and securing medium to long-term stable management, DLI will invest mainly in facilities located in the Three Major Metropolitan Areas consisting of the greater Tokyo area, the Chukyo area, and the Kinki area where the population is the most concentrated among Japan's cities and where such trend is likely to continue. This is in addition to the Three Major Metropolitan Areas being the location where the population of the elderly is expected to concentrate and thereby push up the rate of population aging going forward. DLI will also make diversified investment targeting assets throughout Japan to diversify portfolio risk, selecting regions which can expect a certain level of demand over the medium to long term, taking into account the degree of population concentration, financial standing of local governments and other factors.

The investment ratio for each investment target area shall follow the target incorporation ratio expressed as a percentage of the asset size of the entire portfolio (total acquisition price of the entire portfolio (not including taxes and other expenses associated with acquisition)) shown below.

Region	Definition	Target incorporation ratio (Note)
Three Major Metropolitan Areas	Greater Tokyo area: Tokyo, Kanagawa, Chiba and Saitama prefectures Chukyo area: Aichi, Mie and Gifu prefectures Kinki area: Osaka, Kyoto, Hyogo, Nara and Shiga prefectures	70% or more
Other	Areas excluding the above Three Major Metropolitan Areas.	30% or less

(Note) Incorporation ratio is based on acquisition prices (not including taxes and other expenses associated with acquisition).

(iii) Size

In line with the addition of healthcare facilities in the main use of real estate in which DLI primarily invests, the minimum investment size has been reviewed. As a result, properties valued at JPY 100 million or more per property will be the investment target in principle.

(3) Overview of the Investment Criteria for Each Sector

The overview of the investment criteria for the Rental Housing Sector and Healthcare Facility Sector is as follows.

(i) Rental Housing Sector

The Rental Housing Sector is divided into the following two categories as the investment target assets of DLI. Rental housing for occupancy or utilization by the elderly is categorized under the Healthcare Facility Sector. The investment ratio (based on acquisition price) will be as follows in principle.

Item	One-room	Family
Layout	1R, 1K, 1DK, 1LDK	2K, 2DK, 2LDK and above
Main users	Single-person or DINKS (Double Income No Kids households)	Households with children etc.
Investment ratio based on acquisition price	50-80%	20-50%

(Note) When more than one type of unit exists in a single building, the building is categorized under the type with the largest share. The investment ratio is to be calculated by categorizing the entire building under one type based on the rule.

Investment ratio by investment area	
Investment area	Investment ratio based on acquisition price
23 wards of Tokyo	30-70%
Three Major Metropolitan Areas (the Kanto area, Chukyo area and Kinki area) excluding the 23 wards of Tokyo	30-60%
Ordinance-designated cities, etc. (Note)	0-25%

(Note) "Ordinance-designated cities, etc." refers to the Sapporo, Sendai, Niigata, Shizuoka/Hamamatsu, Okayama, Hiroshima, Kitakyushu/Fukuoka and Kumamoto metropolitan areas and core cities with a population of 300,000 or more.

(ii) Healthcare Facility Sector

Healthcare facilities refer to private nursing homes and residential facilities for occupancy or utilization by the elderly, as well as medical facilities, etc.

Healthcare facilities other than facilities/housing for the elderly may be acquired only when it is judged that stable leasing relationships can be maintained over the medium to long term, taking into account the characteristics of the real estate, earnings structure, etc. However, healthcare facilities (medical buildings, etc.) with the same or similar specifications as offices or which can be easily converted to offices are excluded from the investment target.

Upon acquiring investment assets, DLI will seek to diversify healthcare facility types targeting the incorporation ratios below, after considering regional characteristics, change in demand, etc.

<table>
<tr><th colspan="3">Classification of healthcare facility</th><th>Overview</th><th>Incorporation ratio (Note 1)</th></tr>
<tr><td rowspan="4">Facilities and housing for the elderly</td><td colspan="2">Fee-based homes for the elderly (Note 2)</td><td>Facilities that provide the elderly with household services such as nursing care, meals, laundry and cleaning, or health management service in one of the following types (excluding welfare facilities, group homes, etc.).</td><td rowspan="4">60% or more</td></tr>
<tr><td rowspan="3"></td><td>With nursing care</td><td>Fee-based homes for the elderly designated as facilities for long-term care for residents of specified facilities (the "Specified Facilities") under the Long-Term Care Insurance Act (Act No. 123 of 1997; as amended).</td></tr>
<tr><td>Health-type</td><td>Fee-based homes for the elderly not designated as Specified Facilities where the elderly must terminate their contract and leave if nursing care becomes necessary.</td></tr>
<tr><td>Residential-type</td><td>Fee-based homes for the elderly that are not designated as Specified Facilities and which are not health-type facilities (external nursing care insurance services will be used if nursing care becomes necessary)</td></tr>
</table>

	Elderly housing with supportive services (Note 3)	Registered rental housing meeting the standards for residence (floor area, facilities and structure), services for residents and contract with residents	
	Other facilities and housing for the elderly	Other private nursing homes and residential facilities for occupancy or utilization by the elderly	
Medical facilities		Hospitals (Note 4), clinics (Note 5) and medical malls	40% or less
Other		Life science facilities (facilities occupied by companies or individuals engaged in the life science industry dealing with biotechnology, pharmaceuticals or the development of medical devices)	10% or less

(Note 1) Incorporation ratio is based on acquisition prices (not including taxes and other expenses associated with acquisition). For a multi-purpose facility, the ratio is calculated categorizing the facility according to its main use.

(Note 2) "Fee-based homes for the elderly" refers 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 3) "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 of Elderly Persons' Housing.

(Note 4) "Hospitals" refers to facilities as defined by Article 1-5, Paragraph 1 of the Medical Care Act, and are facilities for the hospitalization of not less than 20 patients, where physicians or dentists carry out medical practices or dental practices for the public or other specific groups of people.

(Note 5) "Clinics" refers to facilities as defined by Article 1-5, Paragraph 2 of the Medical Care Act, and are facilities with no in-patient capacity, or facilities for the hospitalization of no more than 19 patients, where physicians or dentists carry out medical practices or dental practices for the public or other specific groups of people.

Region	Definition	Target incorporation ratio (Note)
Three Major Metropolitan Areas	Greater Tokyo area: Tokyo, Kanagawa, Chiba and Saitama prefectures Chukyo area: Aichi, Mie and Gifu prefectures 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

(Note) Incorporation ratio is based on acquisition price (not including taxes and other expenses associated with acquisition).

2. Organizational Change

(1) Purpose of the Organizational Change

While rental housing has been JRH's investment target, due to the Merger, JRH will be not only succeeding healthcare facilities currently owned by NHI but also investing in healthcare facilities, a major investment target. Accordingly, the sections in charge of investing in and managing rental housing and the sections in charge of investing in and managing healthcare facilities at the Asset Manager will be consolidated, respectively.

(2) Details of the Organizational Change

In the Acquisition and Asset Management Division of the Asset Manager, the JRH Investment Team (in charge of investment in rental housing) and NHI Investment Team (in charge of investment in healthcare facilities) of the Acquisition Department will be consolidated to become the "Acquisition Department DLI Investment Team."

In a similar manner, the JRH Asset Management Department (in charge of asset management of rental housing) and

NHI Management Team (in charge of asset management of healthcare facilities) of the Asset Management Department will be consolidated to become the "DLI Asset Management Department."

(3) Organization Structure of the Asset Manager after the Organizational Change

Please refer to the attachment.

(4) Planned Date of Effectuation of the Organizational Change

The Organizational Change is contingent upon the effectuation of the Merger and is scheduled to take effect on April 1, 2020, which is the effectuation date of the Merger.

*Website URLs of the Investment Corporations

Japan Rental Housing Investments Inc.:	https://www.jrhi.co.jp/en/
Nippon Healthcare Investment Corporation:	http://www.nippon-healthcare.co.jp/en/

English Translation
The following is an English translation of the original Japanese press release and is being provided for informational purposes only.

日本賃貸住宅投資法人
Japan Rental Housing Investments Inc.

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

[Attachment] Organization Structure after the Organizational Change