

November 19, 2019

To All Concerned Parties

REIT Issuer: Japan Rental Housing Investments Inc.
4-17-33 Minami Aoyama, Minato-ku, Tokyo 107-0062
Ikuo Shoda, Executive Director
(Securities Code: 8986)
Asset Manager: Daiwa Real Estate Asset Management Co. Ltd.
Toshio Fukushima, President and Chief Executive Officer
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Notice Concerning Issuance of New Investment Units through Third-Party Allotment

Japan Rental Housing Investments Inc. (hereafter referred to as the “Investment Corporation”) hereby announces that, on November 19, 2019, it decided to issue new investment units through third-party allotment (hereafter referred to as the “TPA”) as described below. The TPA is subject to conditions precedent including but not limited to effectuation of the absorption-type merger (hereafter referred to as the “Merger”) of the Investment Corporation and Nippon Healthcare Investment Corporation (hereafter referred to as “NHI”) agreed on today, with the Investment Corporation as the surviving corporation and NHI as the absorbed company.

(Note) For details on the Merger, please refer to the “Notice Regarding Conclusion of Agreement on the Merger of Japan Rental Housing Investments and Nippon Healthcare Investment Corporation” released November 19, 2019.

1. Outline of Issuance of New Investment Units

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|---|---|
| (i) Number of new investment units issued | 262,891 units |
| (ii) Issue price | 98,900 yen per unit |
| (iii) Total value | 25,999,919,900 yen |
| (iv) Offering or allotment method | By way of third-party allotment |
| (v) Subscription date | March 31, 2020 (Tuesday) |
| (vi) Payment date | April 1, 2020 (Wednesday) |
| (vii) Allottees and number of units | Daiwa Securities Group Inc.: 252,780 units Good Time Living Co. Ltd.: 10,111 units |
| (viii) Subscription units | One unit or more in multiples of one unit |
| (ix) Investment units offering handling agent | Daiwa Securities Co. Ltd. |
| (x) Other | Each item described above is subject to effectuation of registration under the Financial Instruments and Exchange Act, effectuation of the Merger, among other conditions (Note). |

(Note) Implementation of the TPA and payment are subject to various conditions including but not limited to satisfaction

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of prerequisites for execution of transactions based on sales agreements pertaining to the Assets to be Acquired stated in “3. Purposes of and Reasons for the Issuance” later in this release and the Assets to be Transferred stated in the “Notice Concerning Transfer of Assets” released on November 19, 2019 or the ability to reasonably judge that such prerequisites are certain to be satisfied, the non-existence of breaches of representations and warranties, the non-existence of breaches of contract, and the implementation of necessary procedures.

2. Changes in Total Number of Issued Investment Units due to This Issuance

| | |
|---|-----------------|
| Current number of issued investment units | 1,640,060 units |
| Total number of issued investment units after the Merger (Note) | 1,793,055 units |
| Increase in number of investment units due to issuance of new investment units through the Capital Increase by way of Third-party Allotment | 262,891 units |
| Total number of issued investment units after issuance of new investment units through the Capital Increase by way of Third-party Allotment | 2,055,946 units |

(Note) Total number of issued investment units after the Merger is based on the assumption of allotment and delivery of 2.05 units of JRH's investment units per one unit of NHI's investment units with respect to all the issued investment units (74,632 units) of NHI as of November 19, 2019.

3. Purposes of and Reasons for the Issuance

The Investment Corporation is a residential specialized REIT that was listed on the Tokyo Stock Exchange in June 2006 (Stock Code: 8986). It makes diversified investment in rental housing across Japan, with a focus on the 23 wards of Tokyo and three main metropolitan areas (the Kanto metropolitan area, excluding 23 wards of Tokyo, the Chukyo metropolitan area, and the Kinki metropolitan area). The Investment Corporation acquired Prospect REIT Investment Corporation in an absorption-type merger with an effective date of July 1, 2010, adding 52 properties (with a total acquisition price of 52.9 billion yen) as assets under management to its portfolio. Since the merger, the Investment Corporation has aimed for steady improvement in distributions by focusing on strengthening operations in general, including improving the quality of its portfolio through the replacement of properties (transfer of existing properties and acquisition of new properties) and improving occupancy rates, and on cutting costs mainly by reducing interest-bearing debt. Consequently, as of November 19, 2019, the Investment Corporation owns rental apartments at a total of 193 properties (total acquisition price: 227.8 billion yen).

The Investment Corporation and Daiwa Real Estate Asset Management Co. Ltd. (hereafter referred to as the “Asset Management Company”) have been working to generate stable distributions and continuously improve unitholder value by using the sponsor support of Daiwa Securities Group, Inc. (hereafter referred to as “Daiwa Securities Group”), which is the sponsor of the Asset Management Company, and by implementing operating strategies for growth. The Investment Corporation and the Asset Management Company believe that continuously acquiring prime properties and striving to improve the stability of earnings through expansion of

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asset scale and improving the quality of the portfolio will help improve unitholder value in the medium and long term.

Subject to conditions precedent including but not limited to effectuation of the Merger which has an effective date of April 1, 2020, as described in “Notice Concerning Acquisition and Lease of Assets” released November 19, 2019, NHI has decided to acquire a total of 28 health care facility properties (hereinafter referred to as the “Assets to be Acquired”) with a total anticipated acquisition price of 62.6 billion yen effective April 2, 2020, which is the day following the effective date of the Merger. The reason the acquisition of the Assets to be Acquired is subject to effectuation of the Merger is because expansion of asset scale and total market value through the Merger and equity financing through the TPA based thereon are judged to be essential in order to ensure financial stability after acquisition of the Assets to be Acquired and subsequent growth potential.

The primary purpose of the TPA is to partially finance acquisition of the Assets to be Acquired to be acquired based on sales agreements pertaining to the Assets to be Acquired to be succeeded to from NHI as a result of the Merger, as described in “4. Amount of Funds to be Raised, Use of Proceeds and Schedule for Expenditures.” However, at the same time, designation of Daiwa Securities Group as one of the allottees is intended to further strengthen the relationship with the sponsor and lay the foundations for the Investment Corporation’s sustainable and stable growth. Furthermore, designation of Good Time Living Co. Ltd. (hereinafter referred to as “Good Time Living”), a health care operator and anticipated lessee of some of the Assets to be Acquired that became a subsidiary of Daiwa Securities Group in August 2019, as another allottee is also intended to improve the stability of earnings through the establishment of a same-boat investment relationship with Good Time Living, which is expected to be the largest tenant at health care facilities after acquisition of the Assets to be Acquired, thereby incentivizing Good Time Living to improve unitholder value, and through stronger operational cooperation including the introduction of a unitholder benefits program. NHI and Good Time Living concluded a Backup Operator Agreement (Note) on November 19, 2019, and NHI has been working to strengthen operational cooperation with Good Time Living, including initiating discussions over the introduction of a unitholder benefits program at healthcare facilities operated by Good Time Living. Daiwa Securities Group’s unitholding ratio before the Merger and the TPA is 3.35% (the unitholding ratio including units held by the Asset Management Company is 3.39%) but Daiwa Securities Group’s unitholding ratio after the Merger and the TPA will increase to 15.72% (the unitholding ratio including units held by Good Time Living, and the Asset Management Company will be 16.34%). In addition, since Daiwa Securities Group’s unitholding ratio including units held by its subsidiaries after the Merger and the TPA will exceed 15%, the Investment Corporation has received a report from Daiwa Securities Group to the effect that, in view of accounting impact, Daiwa Securities Group expects to treat the Investment Corporation as an equity-method affiliate of Daiwa Securities Group in its consolidated financial statements.

(Note) The Backup Operator Agreement stipulates that if a lease agreement pertaining to a health care facility owned by NHI is expected to be cancelled, rescinded or otherwise terminated and NHI requests the conclusion of a new lease agreement with the Investment Corporation and operation of the health care

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facility, Good Time Living will consult NHI in good faith with respect to such request as backup operator.

Daiwa Securities Group has concluded a Sponsor Support Agreement with the Asset Management Company detailing support such as the provision of various types of information, support for bridge financing, and cooperation with the Asset Management Company to secure human resources, and the Asset Management Company has been sent one full-time Director and one part-time Director from Daiwa Securities Group. The Investment Corporation and the Asset Management Company believe that implementing the issuance of new investment units through the TPA and increasing the same-boat investment ratio of Daiwa Securities Group will align the interests of the Investment Corporation and Daiwa Securities Group given that the Investment Corporation is expected to become an equity-method affiliate of Daiwa Securities Group and further strengthen the relationship between the two companies and that this can be expected to lead to more effective sponsor support. They also believe that the Investment Corporation, which plans to continue acquiring rental apartments and health care facilities and expanding asset scale in the future, can also expect further reduction of borrowing costs thanks to improvement in its creditworthiness due to Daiwa Securities Group's strong financial position and networks, as well as support for the maintenance and expansion of its stable financing framework through utilization of the financial and capital market expertise of Daiwa Securities Group as an integrated securities group, in addition to the provision of a warehousing function for the properties to be Acquired, including bridge financing. For these reasons, the Investment Corporation and the Asset Management Company approached Daiwa Securities Group about subscription for the TPA. Based on discussions with Daiwa Securities Group and its subsidiary Good Time Living, the Investment Corporation and the Asset Management Company judged that implementation of the TPA, with Daiwa Securities Group and Good Time Living as allottees as described earlier, could be expected to further strengthen the relationship with the sponsor group and increase the effectiveness of sponsor support. They also judged that this measure would contribute to improvement in the stability of earnings and sustainable improvement of unitholder value through the establishment of a same-boat investment relationship with Good Time Living, which will be the largest tenant at the health care facilities, thereby incentivizing Good Time Living to improve unitholder value and through stronger operational cooperation with Good Time Living.

Taking the merger ratio to be used in the Merger, the level of the issue price in the TPA, LTV after the Merger and acquisition of the Assets to be Acquired, and the level of increase in distributions per unit into consideration, the Investment Corporation and the Asset Management Company judged that, from the viewpoint of maintaining financial stability and ensuring the capacity to acquire properties in the future, out of a total of 62.6 billion yen in funds needed to acquire the Assets to be Acquired, 26.0 billion yen needed to be raised through equity financing via the issuance of investment units. Moreover, from the viewpoint of suitability as a financing method deployed at the same time as the Merger and large-scale asset acquisitions, they conducted an examination of equity financing methods such as the TPA and capital increase by way of public offering. As a result of examination from many perspectives including the trend of the Investment Corporation's investment unit price, the scale of financing, the certainty of financing, financing costs (in the case of capital increase by way of public offering, the offer

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price is usually determined, after the resolution, as the investment unit price on the trading day preceding the date of determination of offer conditions discounted by a certain percent and the paid-in amount (subscription price) is such offer price further discounted by a certain percent), impact on market liquidity after the capital increase, period until payment date arising because the TPA is subject to effectuation of the Merger and the risk of fluctuation in investment unit price during such period, and the need for management of information concerning the Merger, the Investment Corporation and the Asset Management Company judged that financing through the TPA was the most suitable method for a number of reasons including that it ensured that the funds necessary for external growth could be raised at a reasonable issue price, unaffected by investment unit price fluctuation, that it minimized as far as possible the number of newly issued investment units necessary for financing compared with a capital increase of a similar scale by way of public offering and also to some extent prevented dilution of the rights of existing unitholders through predetermination of the number of investment units to be newly issued, and that it made it possible to increase the forecastability of distribution forecasts after the Merger and the TPA (For details of judgments pertaining to specific issuance terms and conditions, please refer to “7. Reasonableness of Issuance Terms and Conditions.”)

4. Amount of Funds to be Raised, Use of Proceeds and Schedule for Expenditures

(1) Amount of Funds to be Raised

JPY25,999,919,900

(2) Specific Use of Funds to be Raised and Schedule for Expenditures

Funds to be raised are intended to partly finance the purchase of the Assets to be Acquired (28 properties). For details of the Assets to be Acquired, please refer to “Notice of Acquisition and Lease of Assets” released by NHI on November 19, 2019.

(3) Schedule for Expenditures

April 2020

5. Prospects for Interest-Bearing Debt after Issuance

The Investment Corporation conducted an examination of the scale of the TPA required to maintain LTV at a similar level even after acquisition of the 28 properties, which are the Assets to be Acquired. Based on the results of the examination, the funds raised through the TPA are expected to result in LTV on book value/net assets basis of 49.3% compared to 50.9% at the end of September 2019 .

6. Reasonableness of Use of Proceeds

The funds raised through the TPA are expected to be applied to partially finance acquisition of the Assets to be Acquired, as described above. Due to transactions such as the Merger, the TPA and the acquisition of the Assets to be Acquired, the scale of portfolio assets will expand. As a result, stabilization of earnings and growth in the medium and long term can be expected and improvement in the level of distributions through transactions accompanying the Merger can also be expected. Accordingly, growth in distributions from the fiscal period ending September

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30, 2020 after the Merger is forecast. Distributions per unit for the fiscal period ending September 30, 2020 are expected to increase 150 yen (7.5%) from 2,000 yen per unit (forecast for the fiscal period ending March 31, 2020), to 2,150 yen per unit. From this perspective, the Investment Corporation believes that the use of the proceeds described above will help improve the Investment Corporation's unitholder value and believes that it is a reasonable use of the proceeds.

7. Reasonableness of Issuance Terms and Conditions

(1) Calculation Basis of Issue Price

The paid-in price is 98,900 yen, which is the closing price of the Investment Corporation's investment units in regular trading announced by Tokyo Stock Exchange, Inc. on November 18, 2019, i.e. the trading day immediately preceding the Date of Resolution of the Board of Directors,. The paid-in price of 98,900 yen represents a discount of 2.59% compared to 101,526 yen, which is the average of the closing prices for the one-month period (from October 19, 2019 to November 18, 2019) immediately preceding the Date of Resolution of the Board of Directors, a discount of 1.60% compared to 100,510 yen, which is the average of the closing prices for the immediately preceding three-month period (from August 19, 2019 to November 18, 2019), and a premium of 5.45% compared to 93,787 yen, which is the average of the closing prices for the immediately preceding six-month period (from May 19, 2019 to November 18, 2019).

As described above, the issue price is essentially equal to the closing price of the Investment Corporation's investment units in regular trading on the trading day immediately preceding the Date of Resolution of the Board of Directors, and the Investment Corporation judges that the paid-in amount is fair given that the price of the Investment Corporation's investment units on such date is not an unreasonable price in view of the recent market price trend of the Investment Corporation's investment units and the market price trend of the J-REIT market, and that, while the Investment Corporation has, in principle, set a paid-in amount that is higher than the price on the date immediately preceding the Resolution of the Board of Directors multiplied by 0.9, taking factors such as the price and trading volume prior to the immediately preceding date into consideration, the paid-in amount is also in compliance with Guideline with Respect to the Administration of Third party Allocations of New Shares and Other Transactions issued by the Japan Securities Dealers Association, which permits the setting of a price that is higher than the average price over a period starting on a date that has been extended back a suitable period for determining the paid-in amount from the Resolution Date and ending on the date immediately preceding the Resolution multiplied by 0.9.

(2) Grounds for Concluding that Number of Units to be Issued and Degree of Dilution of Investment Units are Reasonable

The number of new investment units to be issued in the TPA is expected to be 262,891 units, and 1,640,060 units, the number of issued investment units as of November 19, 2019, will be diluted by 16.03%. 1,793,055 units, total units including newly allotted units to NHI's unitholders upon the Merger, will be diluted by 14.66%.

However, the number of investment units to be issued in the TPA and the degree of dilution of investment units were judged to be reasonable given that (i) stabilization of earnings and growth

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in the medium and long-term can be expected because the proceeds of the TPA will be used to acquire the Assets to be Acquired and the scale of the Investment Corporation's assets will increase after the Merger; (ii) improvement in the level of distributions can be expected through transactions including but not limited to the Merger, the Third-party Allotment and acquisition of the Assets to be Acquired, and (iii) implementation of the TPA, with Daiwa Securities Group, which is the sponsor, and its subsidiary Good Time Living Co. Ltd. as allottees, will further strengthen the relationship with the sponsor and lay the foundations for the Investment Corporation's sustainable and stable growth and can also be expected to lead to stronger operational cooperation with Good Time Living Co. Ltd. as a health care operator and improvement in the stability of earnings.

The Investment Corporation believes that the TPA will contribute to the financial strength of the Investment Corporation after the REIT Merger, and will lead to the enhancement of corporate value, and concluded, therefore, that implementation of the TPA will accord with the profit of the Investment Corporation's existing investors.

8. Reason for Selection of Allottees

(1) Outline of Allottees

Daiwa Securities Group Inc.

(As of March 31, 2019)

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| (i) Trade Name | Daiwa Securities Group Inc. | |
| (ii) Location | 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo | |
| (iii) Title and Name of Representative | Seiji Nakata, Executive President | |
| (iv) Description of Business | Holds, manages and controls shares of companies engaged in financial instruments and exchange business | |
| (v) Capital | 247,397 million yen | |
| (vi) Date of Establishment | December 27, 1943 | |
| (vii) Number of Issued Shares | 1,699,378,772 shares | |
| (viii) Fiscal Year End | March 31 | |
| (ix) Number of Employees | 15,196 people (consolidated basis) | |
| (x) Major Shareholders and Shareholding Ratios | The Master Trust Bank of Japan, Ltd. (Trust 6.36% Account) | |
| | Japan Trustee Services Bank, Ltd. (Trust Account) | 4.24% |
| | Barclays Securities Japan Limited | 2.18% |
| | Nippon Life Insurance Company | 1.98% |
| | Taiyo Life Insurance Company | 1.98% |
| | Japan Trustee Services Bank, Ltd. (Trust Account 5) | 1.98% |
| | Japan Post Holdings Co, Ltd. | 1.91% |
| | JP MORGAN CHASE BANK 385151 (Standing Proxy Mizuho Bank, Ltd.) | 1.74% |
| | STATE STREET BANK WEST CLIENT – TREATY 505234 (Standing Proxy Mizuho Bank, Ltd.) | 1.60% |
| | Japan Trustee Services Bank, Ltd. (Trust Account 7) | 1.39% |

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| (xi) Relationship of Allottee with the Investment Corporation/Asset Management Company | |
| Capital Relationship | The Allottee holds 55,014 units of the Investment Corporation's investment units. It also owns 100% of the total number of shares issued and outstanding of the Asset Management Company and falls under the category of interested parties, etc. as defined in the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter referred to as the "Investment Trust Act"). |
| Personnel Relationship | There is no significant personnel relationship between the Investment Corporation and the Allottee. However, as of November 19, 2019, among the Asset Management Company's officers and employees, 27 persons, including one Director, are on secondment from the Allottee, and one Director (part-time) and two Audit & Supervisory Board Members (part-time) of the Asset Management Company concurrently serve as an officer or employee of the Allottee. |
| Business Relationship | <p>The Allottee is the parent company of the Asset Management Company, with 100% ownership of its stock, and falls under the category of a specially-related corporation of the Investment Corporation.</p> <p>During the fiscal period ended September 30, 2019, the Investment Corporation and the Allottee entered into lease agreements for 12 properties among the assets held by the Investment Corporation, and the Investment Corporation received rents, etc. of 12,829 thousand yen from the Allottee. The Investment Corporation plans to transfer the Assets to be Transferred to indirect subsidiaries, etc. of the Allottee. Furthermore, the Allottee also entered into a Sponsor Support Agreement with the Asset Management Company on June 17, 2009. With the aim of achieving the sustainable and stable growth of the Investment Corporation, the Allottee keeps the Asset Management Company informed about properties, etc. and other information related to the operation of the Asset Management Company that the Allottee judges useful for the Asset Management Company or the Investment Corporation and cooperates with the Asset Management Company in securing human resources, arranging bridge financing, etc.</p> |
| Related Party Status | The Allottee is the parent company of the Asset Management Company, falling under the category of a related party. The Allottee also falls under the category of interested parties, etc. of the Asset Management Company as defined in the Investment Trust Act. The Asset Management Company has gone through the decision-making process set out in the Rules Concerning Conflicts of Interests to implement the Capital Increase by way of Third-party Allotment. |

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| (xii) Operating Results and Financial Position in the Past 3 Years (Consolidated) | | | |
|---|------------|------------|------------|
| Fiscal year ended | March 2017 | March 2018 | March 2019 |
| Net Assets (Millions of Yen) | 1,343,433 | 1,370,520 | 1,256,430 |
| Total Assets (Millions of Yen) | 19,827,296 | 21,135,041 | 21,126,706 |
| Net Assets per Share (Yen) | 745.80 | 786.56 | 794.54 |
| Operating Revenues (Millions of Yen) | 616,497 | 712,601 | 720,586 |
| Operating Income (Millions of Yen) | 119,062 | 135,058 | 67,326 |
| Ordinary Income (Millions of Yen) | 135,623 | 155,676 | 83,159 |
| Profit Attributable to Owners of Parent (Millions of Yen) | 104,067 | 110,579 | 63,813 |
| Earnings per Share (Consolidated) (Yen) | 61.53 | 66.88 | 39.95 |
| Dividend Per Share (Yen) | 26.00 | 28.00 | 21.00 |

Good Time Living Co. Ltd.

(As of November 19, 2019)

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| (i) Trade Name | Good Time Living Co. Ltd. | | |
| (ii) Location | 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo | | |
| (iii) Title and Name of Representative | Etsuaki Morikawa, Representative Director | | |
| (iv) Description of Business | (1) Plans, develops, operates and manages fee-based homes and rental housing for the elderly (2) Provides livelihood support services considered necessary at the abovementioned facilities (3) Provides nursing services (4) Provides services incidental and related to (1)~(3) | | |
| (v) Capital | 50 million yen (as of September 30, 2019) | | |
| (vi) Date of Establishment | April 1, 2005 | | |
| (vii) Number of Issued Shares | 166,580 shares (as of September 30, 2019) | | |
| (viii) Fiscal Year End | March 31 | | |
| (ix) Number of Employees | 1,880 people (as of September 30, 2019) | | |
| (x) Major Shareholders and Shareholding Ratios | Daiwa Securities Group Inc. 100% | | |
| (xi) Relationship of Allottee with the Investment Corporation/Asset Management Company | <p>This press release has been prepared for the sole purpose of publicly announcing the issuance of new investment units by way of third party allotment, and not for the purpose of soliciting investment. This press release is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States unless the transaction is registered under the United States Securities Act of 1933 or exempt from registration. If securities are publicly offered in the United States, a prospectus in English prepared in accordance with the United States Securities Act of 1933 is used. The prospectus can be obtained from the issuer or an offeror of the securities and includes detailed information about the issuer and its management as well as the issuer's financial statements. On this occasion, no public offering of securities is being made in the United States.</p> | | |

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| Capital Relationship | The Allottee does not hold any investment units of the Investment Corporation. There is a capital relationship between Daiwa Securities Group Inc., which is the Allottee's parent company and owns 100% of its stock, and the Investment Corporation/Asset Management Company. |
| Personnel Relationship | There is no significant personnel relationship between the Investment Corporation and the Allottee. However, as of November 19, 2019, among the Asset Management Company's officers and employees, one Director and one Audit & Supervisory Board Member (part-time) concurrently serve as officers of the Allottee. |
| Business Relationship | The Allottee is expected to become the lessor and operator of the Assets to be Acquired by the Investment Corporation, and has entered into a Backup Operator Agreement with the Investment Corporation. There is no significant business relationship between the Asset Management Company and the Allottee. There is also no significant business relationship between related parties and affiliated companies of the Investment Corporation/Asset Management Company and related parties and affiliated companies of the Allottee. |
| Related Party Status | The Allottee is a subsidiary of Daiwa Securities Group, Inc., which is the parent company of the Asset Management Company, and falls under the category of a related party. |

(xii) Operating Results and Financial Position in the Past 3 Years (Consolidated)

| Fiscal year ended | March 2017 | March 2018 | March 2019 |
|---|------------|------------|------------|
| Net Assets (Millions of Yen) | (Note 1) | (Note 1) | (Note 1) |
| Total Assets (Millions of Yen) | (Note 1) | (Note 1) | (Note 1) |
| Net Assets per Share (Yen) | (Note 1) | (Note 1) | (Note 1) |
| Operating Revenues (Millions of Yen) | (Note 1) | (Note 1) | (Note 1) |
| Operating Income (Millions of Yen) | (Note 1) | (Note 1) | (Note 1) |
| Ordinary Income (Millions of Yen) | (Note 1) | (Note 1) | (Note 1) |
| Profit Attributable to Owners of Parent (Millions of Yen) | (Note 1) | (Note 1) | (Note 1) |
| Earnings per Share (Consolidated) (Yen) | (Note 1) | (Note 1) | (Note 1) |
| Dividend Per Share (Yen) | (Note 1) | (Note 1) | (Note 1) |

(Note1) This information has not been disclosed because consent to disclosure has not been obtained.

(Note 2) Daiwa Securities Group Inc, is the parent company of the Asset Management Company and the sponsor of the

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Investment Corporation and is also listed on the first Section of the Tokyo Stock Exchange, and its basic views on the elimination of antisocial forces and the development of a corporate governance system described in the Corporate Government Report which it submitted to the Tokyo Stock Exchange were confirmed on the Tokyo Stock Exchange's website, and given that Good Time Living Co. Ltd. is the wholly owned subsidiary of Daiwa Securities Group, Inc., the Investment Corporation and the Asset Management Company judged that none of the officers or major shareholders of the two allottees have any relations whatsoever with antisocial social forces.

(2) Reasons for Selection of Allottees

For the reasons for selection of Daiwa Securities Group Inc. and Good Time Living Co. Ltd. as allottees, please refer to "3. Purposes of and Reasons for the Issuance."

(3) Holding Policy of Allottees

The Investment Corporation has confirmed with the allottees Daiwa Securities Group Inc. and Good Time Living Co. Ltd. their intention to continue holding the investment units of the Investment Corporation including the investment units to be acquired as a result of the TPA unless there are special circumstances. Each allottee has agreed with the Investment Corporation and the Asset Management Company that it will not sell to any third party nor otherwise dispose of the investment units that it will acquire through the TPA for a period of six months from the payment date, in principle, without first obtaining the written approval of the Investment Corporation and the Asset Management Company.

9. Major Holders of Investment Units and Holding Ratios of Investment Units

(1) Major Holders of Investment Units and Holding Ratios of Investment Units Before and After the Offering

| Before the Offering (As of September 30, 2019) | | After the Offering | |
|---|--------|---|--------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 16.31% | Daiwa Securities Group Inc. | 15.72% |
| Japan Trustee Services Bank, Ltd. (Trust Account) | 13.74% | The Master Trust Bank of Japan (Trust account) | 13.66% |
| NOMURA BANK (LUXEMBOURG) S.A. | 4.39% | Japan Trustee Services Bank, Ltd. (Trust Account) | 11.39% |
| The Nomura Trust and Banking Co., Ltd. (Investment Trust Account) | 3.88% | NOMURA BANK (LUXEMBOURG) S.A. | 3.50% |
| Daiwa Securities Group Inc. | 3.35% | The Nomura Trust and Banking Co., Ltd. (Investment Trust Account) | 3.31% |
| Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account) | 2.92% | Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account) | 2.42% |
| Mitsubishi UFJ Trust and Banking Corporation | 1.99% | Mitsubishi UFJ Trust and Banking Corporation | 1.58% |
| Aozora Bank, Ltd. | 1.64% | Aozora Bank, Ltd. | 1.31% |
| SSBTC CLIENT OMNIBUS | 1.57% | SSBTC CLIENT OMNIBUS | 1.25% |

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| ACCOUNT | ACCOUNT |
|--|--|
| STREET BANK WEST CLIENT - 1.47% TREATY 505234 | STREET BANK WEST CLIENT - 1.17% TREATY 505234 |

(Note) Total number of issued investment units after the Offering is based on the assumption of allotment of 2.05 units of JRH's investment units per one unit of NHI's investment units (74,632 units) as of November 19, 2019 as well as of the issuance of new investment units through the TPA. The number of JRH's units allotted to NHI's unitholders is based on NHI's unitholders' list as of April 30, 2019, therefore the calculated number of allotted JRH's units could be different from the actual one. The holding ratios are rounded down to two decimal places.

(2) Items regarding Satisfaction of the Tax Conduit Requirement

As a result of the TPA, the holding ratio of Daiwa Securities Group Inc. after the Merger will be 15.72% (the holding ratios of Good Time Living Inc. and the Asset Management Company will be 0.49% and 0.12% respectively, making a combined total holding ratio of 16.34%), enabling satisfaction of the tax conduit requirements (hereafter referred to as "Requirements for inclusion in deductible expenses") under Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended).

The Investment Corporation and the Allottee have agreed not to engage in the acquisition of investment units of the Investment Corporation or other transactions that would cause the Investment Corporation to fail to satisfy the requirements for inclusion in taxable expenses.

10. Prospects

For details of the forecast of management conditions after the Merger, please refer to the "Notice Concerning Management Conditions and Distribution Forecasts for the Fiscal Periods Ending September 30, 2020 and March 31, 2021 after the Merger of Japan Rental Housing Investments Inc. and Nippon Healthcare Investment Corporation" released November 19, 2019. For details of the forecast of management conditions of the Investment Corporation for the fiscal period ending March 31, 2020 (from October 1, 2019 to March 31, 2020), please refer to 27th Fiscal Period Financial Report (REIT) released November 19, 2019.

11. Management Conditions and Conditions of Equity Finance of the last 3 Fiscal Periods.

(1) Management Conditions of the last 3 Business Terms

| Fiscal Period Ended | March 2018 | September 2018 | March 2019 |
|-------------------------------|------------|----------------|------------|
| Current Net Earnings Per Unit | 1,925 yen | 1,899 yen | 1,925 yen |
| Dividends Per Unit | 1,967 yen | 1,964 yen | 1,990 yen |
| Actual Dividend Ratio | 102.2% | 103.4% | 103.4% |
| Net Asset Value per Unit | 66,117 yen | 66,076 yen | 66,055 yen |

(Note) Amounts are rounded down to the nearest specified unit and ratios are rounded to one decimal place.

(2) Recent Condition of Investment Unit Price

(i) Condition of the last 3 Fiscal Periods

| Fiscal period Ended | March 2018 | September 2018 | March 2019 |
|---------------------|------------|----------------|------------|
| Opening Price | 79,800 yen | 81,400 yen | 89,500 yen |
| Highest Price | 87,400 yen | 91,700 yen | 91,700 yen |

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| | | | |
|---------------|------------|------------|------------|
| Lowest Price | 78,000 yen | 81,000 yen | 76,500 yen |
| Closing Price | 81,100 yen | 89,800 yen | 88,200 yen |

(ii) Condition of the last 6 months

| | June 2019 | July 2019 | August 2019 | September 2019 | October 2019 | November 2019 |
|---------------|------------|------------|-------------|----------------|--------------|---------------|
| Opening Price | 86,200 yen | 84,100 yen | 91,000 yen | 98,000 yen | 99,500 yen | 104,000 yen |
| Highest Price | 86,600 yen | 91,700 yen | 99,700 yen | 102,600 yen | 106,000 yen | 105,200 yen |
| Lowest Price | 82,900 yen | 84,000 yen | 89,900 yen | 98,000 yen | 98,400 yen | 95,400 yen |
| Closing Price | 83,800 yen | 91,400 yen | 98,300 yen | 99,500 yen | 103,600 yen | 98,900 yen |

(Note) The condition for November 2019 is as of November 18, 2019.

(iii) Investment Unit Price as of the Business Day immediately preceding the Date of Resolution of the Issuance

| | As of November 18, 2019 |
|---------------|-------------------------|
| Opening Price | 98,500 yen |
| Highest Price | 98,900 yen |
| Lowest Price | 98,200 yen |
| Closing Price | 98,900 yen |

(4) Conditions of Equity Finance of the last 3 Fiscal Periods

Not applicable

End

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