



Case 3: Health-care REIT

Leveraging our financial know-how and network of financial institutions to contribute to the provision of health-care facilities necessary for an aging society

Supporting the provision of health-care facilities through capital procurement

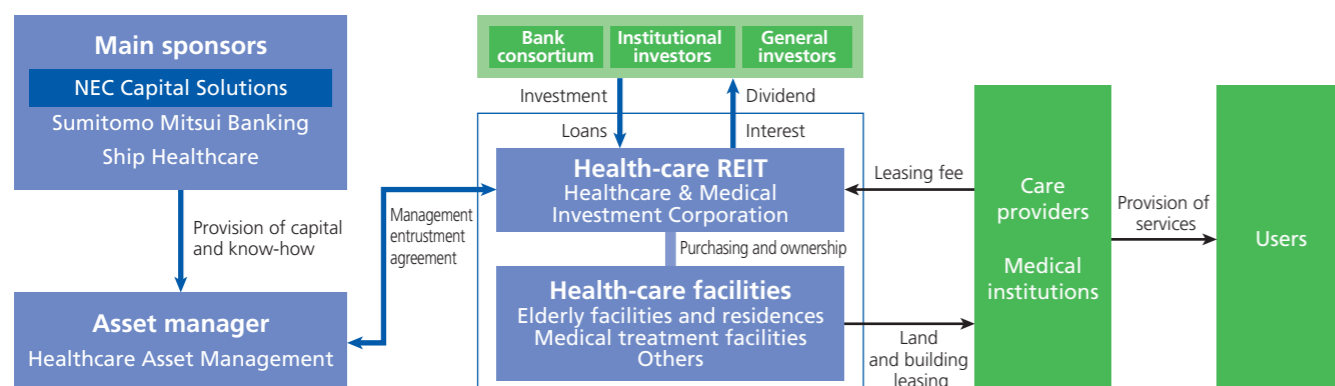
The acceleration of the decline in birth rate and aging society have led to an increase in the number of elderly households, particularly those where a senior lives alone. Meanwhile, the population of the generation burdened with caregiving is decreasing which is ushering in conditions whereby nursing and medical services have to be received from external providers. In light of this societal condition, the national government presented the goal of raising the ratio of elderly residences from 0.9% in 2005 to 3 to 5% by 2020 thus urging the expansion of private senior citizen homes and serviced residences for the elderly as well as healthcare facilities providing medical treatment. However, with demand accelerating at a pace far exceeding that of supply, the construction and

expansion of healthcare facilities has become an urgent matter.

The Company has advanced initiatives for the establishment of a healthcare REIT to play a part in the construction of crucial healthcare infrastructure for our aging society. A healthcare REIT is a real estate investment trust that invests capital subscribed from investors in healthcare facilities. The Cabinet included in its Economic Measures for Realization of Virtuous Cycles published in December 2013 a provision calling for the promotion of the provision of funds to healthcare facilities through healthcare REIT listings and other vehicles.

As a result of various preparations including the establishment of Healthcare Asset Management Co., Ltd., an asset management company created jointly with Sumitomo Mitsui Banking Corporation and Ship Healthcare Holdings Co., Ltd., we succeeded in listing "Healthcare & Medical Investment Corporation," whose

Healthcare & Medical Investment Corporation schematic



assets are managed by Healthcare Asset Management Co., Ltd., on the Tokyo Stock Exchange real estate investment trust securities market (J-REIT market) on March 19, 2015.

Combining the strengths fostered by partner companies to provide solutions in response to social issues

The healthcare REIT came to realize thanks to an alliance of partners with varying specializations.

Sumitomo Mitsui Banking Corporation, with its top-class track record in the area of financing J-REITs, is expected to leverage its abundant customer network to build points of contact with the REITs based on the demands of customers with healthcare facility liquidation needs. Then there is Ship Healthcare, a total healthcare service provider in the four domains of medical care, health maintenance, welfare and nursing that possesses a wealth of know-how in the development and operation of healthcare facilities. Complementing the functions and know-how of these companies fostered over many years in their respective specializations are the strengths of the Company, namely broad-based financial solutions, a wealth of ICT knowledge and a strategic partnership with NEC, that worked together to realize solutions for our aging society. An important element in the financial aspect of this alliance is the substantial amount of accumulated experience in funds of our subsidiary, RISA Partners,

Inc., which operates a cross-sectional, diverse business focused on investing through funds and other vehicles and wields wide-ranging know-how in the real estate industry from advisory services on everything from appraisals and valuations to liquidation, to effective utilization strategy proposal and execution support services. RISA Partners is expected to leverage its track record to contribute to the building of a favorable portfolio for the investment corporation and to stable asset management.

Our wealth of ICT knowledge and strategic partnership with NEC are crucial for supporting the convenience and reliability of healthcare facilities. In recent years, the importance of ICT networks that realize information sharing among practitioners is increasing at medical treatment and nursing facilities and the Ministry of Health, Labor and Welfare, the Government of Japan is urging the deployment of ICT in the health, medical and nursing fields. Further, as a member of the NEC Group, the Company will support the management of healthcare facilities by utilizing the knowledge peripheral to ICT and various functions of the Group.

The expansion of products and services for the elderly represented by healthcare facilities will create a society wherein not only seniors but all citizens can live their lives happily and with peace of mind. The Company will leverage the comprehensive capabilities of the Group and its broad network of players in many sectors to contribute to the building of a social foundation that supports our aging society.

Staff comments

Comment

Providing solutions to contribute to the realization of a livable aging society



The health-care REIT is an initiative in step with the CSV management outlined in our Medium-Term Plan 2014 and its listing is expected to expand the business of the Group in the health-care sector. It is a marriage of the strengths and know-how of three main corporate sponsors, whose continuing collaboration going forward will likely bring forth new innovations in the health-care industry. The NEC Group aims to contribute to the enhancement of safety and peace of mind and the streamlining of employee tasks at health-care facilities through the provision of ICT solutions as a step towards the creation of a livable aging society.

Masashi Tsutsumi, Solution Department, Solution Division

Contributing to the growth of the health-care REIT by leveraging our fostered network and know-how

The successful listing of Healthcare & Medical Investment Corporation is expected to further expand the business of RISA Partners in the growing health-care market and broaden the potential for collaboration with NEC Capital Solutions. Our role in this project is that of an external pipeline that supports the growth of the healthcare REIT and we are expected to contribute to the resolution of various issues in the medical and nursing fields. We will provide solutions in collaboration with each partner in order to fulfill this role.

Mikiya Noda, Asset Solution Department, Investment Banking Division, RISA Partners, Inc.

