

Attention

This document is an unofficial translation of a press release announced on November 19, 2019 by Daiwa Securities Group Inc. The original press release is in Japanese.

November 19, 2019

Press Release

Daiwa Securities Group Inc.

Notice Regarding New Actions in Real Estate Asset Management Business

Japan Rental Housing Investments Inc. (hereinafter “JRH”) and Nippon Healthcare Investment Corporation (hereinafter “NHI”), whose assets are managed by Daiwa Real Estate Asset Management Co. Ltd. (hereinafter “DR”), a subsidiary of Daiwa Securities Group Inc. (hereinafter “DSGI”), executed a merger agreement today and decided to acquire and sell properties after the merger.

1. Background and purpose

Daiwa Securities Group entered real estate asset management business in 2009 and the business has grown to be with assets under management exceeding 1 trillion yen.

JRH, focusing on rental housing, and NHI, focusing on healthcare facilities, are J-REITs managed by DR and are listed on the Real Estate Investment Trust Securities Market of the Tokyo Stock Exchange. JRH and NHI have been making efforts to maximize unitholder value since their listing.

Now, by combining both REITs’ characteristics and strengths in order to evolve into a new REIT that comprehensively provides comfortable living spaces suited to each life stage, JRH and NHI have decided to conduct an absorption-type merger, where JRH is the surviving corporation and NHI is the absorbed corporation. After the merger, JRH will change its entity name to “Daiwa Securities Living Investment Corporation” (hereinafter “DLI”).

DSGI is a sponsor of both REITs and in order to improve the quality of DLI’s portfolio and accelerate external growth after the merger, Daiwa Securities Group decided to (a) transfer to DLI 28 healthcare facilities valued 62.6 billion yen, currently owned by Daiwa Securities Group, including healthcare facilities operated by Good Time Living Co. Ltd. (formerly ORIX Living Corporation), which became our subsidiary in August 2019, (b) acquire from DLI 27 rental housing properties valued 13.6 billion yen, and (c) provide DLI 26 billion yen through underwriting third-party allotment of new investment unit issuance.

Daiwa Securities Group believes that a series of these transactions contributes to the

sustainable growth of unitholder value for both JRH and NHI unitholders. Also, Daiwa Securities Group intends to support further growth of DLI after the merger.

Daiwa Securities Group will make best efforts to further promote our real estate asset management business utilizing group resources.

2. Overview of JRH and NHI

Name	Japan Rental Housing Investments Inc.	Nippon Healthcare Investment Corporation
Address	4-17-33 Minami-aoyama, Minato-ku, Tokyo	6-2-1 Ginza, Chuo-ku, Tokyo
Executive Director	Ikuo Shoda	Shunichi Suzuki
Established	October 7, 2005	January 7, 2014
Total acquisition Price	226,378 million yen (as of September 30, 2019)	19,712 million yen (as of April 30, 2019)