



Japan Senior Living Investment Corporation

1st Period Result (Ended February 2016)

Table of Contents

Highlights of 1st fiscal period (2016/2) and future initiatives	2
1st fiscal period (2016/2) financial results: Performance highlight	3
Earning forecasts of 2nd fiscal period (2016/8) and 3rd fiscal period (2017/2)	4
Portfolio overview ①	5
Portfolio overview ②	6
Investment targets policies and overview of our portfolio	7
External Growth Strategy	8
Pursuit of external growth based on diversified acquisition methods	9
Stable cash flow through a long-term lease agreement with fixed rent and high management capabilities	10
Portfolio management performance	11
Internal growth strategy	12
Back-up Operation Functions	13
Classification of senior living facilities by type	14
Typical earnings structure of senior living facilities	15
Characteristics of senior living facilities by type	16
Diverse Support from 6 Companies with Proven Track Records	17
SOMPO Holdings enters the nursing-service business	18
Financial Highlights (as of the end of 1st fiscal period (2016/2))	19
Unitholders' special-benefit program (1st fiscal period (2016/2))	20
Unitholder Information (as of the end of 1st fiscal period (2016/2))	21
Appraisal values (as of the end of 1st fiscal period (2016/2))	22

Highlights of 1st fiscal period (2016/2) and future initiatives



Highlights

Future initiatives

External growth

- JSL acquired 14 properties for 27,965 m. yen (total acquisition price), and was listed on the TSE REIT market on July 29, 2015.
- Since the listing, it has found many candidate properties of acquisition for healthcare and related facilities, including senior living facilities, intermediate nursing homes facilities, and hospitals.
- Acquired silent partnership equity of limited liability company, whose assets consists of five medical facilities (intermediate nursing homes facilities) (as of March 28, 2016; 200 m. yen).



- Will grasp operators' needs, and acquire properties based on JSL's own network and the sponsor company functions
- Will utilize diversified acquisition methods, based on joint investment with the sponsor, etc., including capital investment from silent partnership investments

Internal growth

- JSL promoted mid-/long-term trust building with operators, through appropriate monitoring.
- It continued to offer proposals and discussions for operators, regarding repair & renovation and management & sales methods, and promoted further revenue stabilization.
- In the 1st fiscal period, JSL maintained a 100.0% occupancy rate(based on contract) , (average of actual occupancy rate(based on end-tenants) was 88.2%.)



- Will continue to promote appropriate monitoring, and aim to reduce operation risks
- Based on monitoring results, will promote proposals for improvement measures and strategic repair/renovation, and then realize sustained steady cash flow

Financial strategy

- JSL built a steady long-term financial foundation, and secured financial reserves.



- Will grasp macro-environmental changes due to the government's introduction of negative interest rates, and accordingly pursue much longer borrowing periods and interest cost reduction
- Will build a steady long-term financial foundation, aiming at a 40%-level LTV

1st fiscal period (2016/2) financial results: Performance highlight

- The nominal period of the 1st fiscal period is from May 12, 2015 (foundation of this investment corporation) to Feb. 29, 2016 (294days)
- The actual period of asset management is from Jul. 29, 2015 (the listing date) to Feb. 29, 2016 (216 days)

Balance sheet—overview

(m. yen)

PL statement—overview

(m. yen)

Item	1st fiscal period (ended Feb. 2016) Actual	Item	1st fiscal period (ended Feb. 2016) forecast (interim account settlement, Dec. 14, 2015 announcement)	1st fiscal period (ended Feb. 2016) Actual	Increase/decrease, against forecast	Major factors of difference
Current assets		Operating revenue	1,152	1,152	0	
Cash and deposits	5,423	Operating expense	680	650	△ 29	
Other	155	Leasing business expense (excluding depreciation)	90	60	△ 30	Decrease in tax and duties △24
Noncurrent assets		Depreciation	405	405	0	
Property, plant and equipment	28,529	Operating income	472	502	29	
Intangible assets	1,039	Non-operating income	0	0	0	
Investment, other assets	134	Non-operating expense	287	288	1	
Total assets	35,283	Ordinary income	185	214	28	
Current liabilities		Net income	184	212	27	
Short-term borrowings	1,000	DPU (yen)	2,181	2,509	328	
Other	316					
Noncurrent liabilities						
Long-term borrowings	14,000					
Leasehold and security deposits received	3,382					
Trust tenants lump sum deposits	839					
Total liabilities	19,538					
Total net assets	15,744					
Total liabilities and net assets	35,283					

(Reference)	
No. of issued investment units	84,750
Leasing NOI (Note 1)	1,092 m. yen
FFO (Note 2)	617 m. yen
NAV per unit (Note 3)	191,238 yen

(Note 1) Leasing NOI="leasing business revenue" - "leasing business expense" + "depreciation"

(Note 2) FFO="net income" + "depreciation"

(Note 3) NAV per unit = "period-end net asset amount" - "distribution amount" + "period-end appraisal value" - "tangible fixed assets"

Earning forecasts of 2nd fiscal period (2016/8) and 3rd fiscal period (2017/2)

(m. yen)

Item	1st fiscal period actual (A)	2nd fiscal period (ended Aug. 2016) forecast		Major factors of difference	3rd fiscal period (ended Feb. 2017) forecast		Major factors of difference
		This forecast (B)	Increase/decrease (B)-(A)		This forecast (C)	Increase/decrease (C)-(B)	
Operating revenue	1,152	978	△ 173 (Note 1)		987	8	
Leasing business revenue	1,152	974	△ 178 (Note 1)		974	-	
Distributions received	-	4	4	Silent partnership distributions (Note 2)	13	8	Silent partnership distributions (Note 2)
Operating expense	650	609	△ 40		618	9	
Leasing business expense (excluding depreciation)	60	118	57	Tax and duties +72 (for 1st fiscal period; accounted as fixed asset acquisition cost)	124	6	Increase in repair expense +5
Depreciation	405	303	△ 101 (Note 1)		303	0	
Operating income	502	369	△ 132 (Note 1)		369	△0	
Non-operating income	0	0	△0		0	-	
Non-operating expense	288	71	△ 217	For 1st fiscal period, 197 was allocated as IPO expense (new investment unit delivery expense, etc.)	71	△0	
Ordinary income	214	298	84		298	0	
Net income	212	297	84		297	0	
DPU (yen)	2,509	3,506	996		3,506	0	















(Note 1) The difference between the 1st fiscal period and the 2nd fiscal period in terms of the length of the asset management period (the 1st fiscal period's actual asset management period is 216 days; the 2nd fiscal period's assets management period is 184 days).

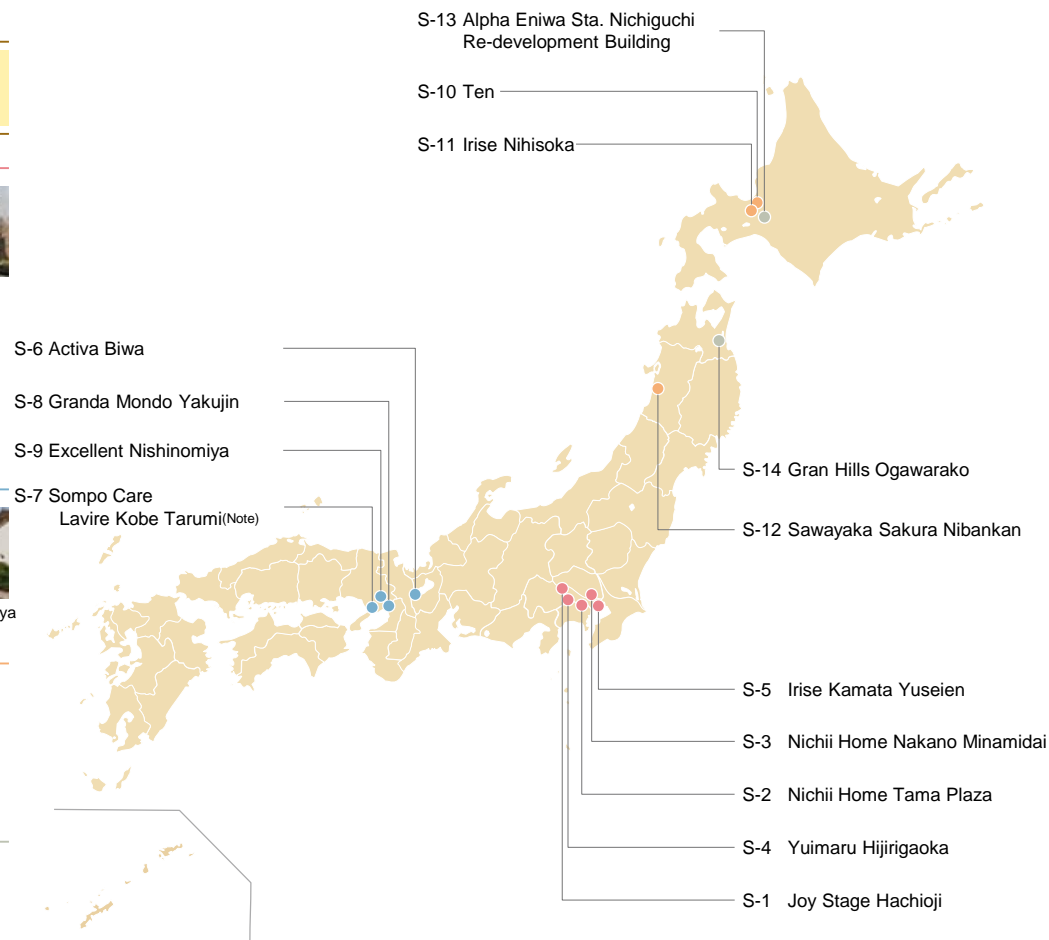
(Note 2) The silent partnership distributions from KSLF8 limited liability company's silent partnership investment-capital-equity that this investment corporation acquired as of March 28, 2016.

Portfolio overview ①

Details on portfolio

Acquisition price	Total appraisal value	Portfolio appraisal NOI yield	# of operators
27,965 JPY mil	29,306 JPY mil	6.0%	11

Tokyo area % share of total acquisition price: 36.4%	 Joy Stage Hachioji (Hachioji, Tokyo)	 Nichii Home Tama Plaza (Kawasaki-shi, Kanagawa)	 Nichii Home Nakano Minamidai (Nakano-ku, Tokyo)	 Yuimaru Hijirigaoka (Tama-shi, Tokyo)
	 Irise Kamata Yuseien (Ota-ku, Tokyo)			
Osaka area % share of total acquisition price: 38.5%	 Activa Biwa (Otsu-shi, Shiga)	 Sompo Care Lavire Kobe Tarumi(Note) (Kobe-shi, Hyogo)	 Granda Mondo Yakujin (Nishinomiya-shi, Hyogo)	 Excellent Nishinomiya (Nishinomiya-shi, Hyogo)
Mid-size city area % share of total acquisition price: 14.5%	 Ten (Sapporo-shi, Hokkaido)	 Irise Nishioka (Sapporo-shi, Hokkaido)	 Sawayaka Sakura Nibankan (Akita-shi, Akita)	
Others % share of total acquisition price: 10.6%	 Alpha Eniwa Sta. Nishiguchi Re-development Building (Eniwa-shi, Hokkaido)	 Grand Hills Ogawarako (Kamikita-gun, Aomori)		



(Note) On April 1, 2016, the name was changed from "Rest Villa Kobe Tarumi" to "Sompo Care Lavire Kobe Tarumi" (hereinafter, the same)

Portfolio overview ②

Property no.	Facility type	Property name	Location	Acquisition price (m. yen)	No. of rooms	Actual Occupancy rate (Based on end-tenants) (Note 1)	As of:	Operator
S-1	With nursing	Joy Stage Hachioji	Hachioji City, Tokyo	3,675	232	91.8%	Dec 1, 2015	NM LIFE Co., Ltd.
S-2	With nursing	Nichii Home Tama Plaza	Kawasaki City, Kanagawa	2,500	160	88.1%	Dec 1, 2015	Nichii Carepalace Company
S-3	With nursing	Nichii Home Nakano Minamidai	Nakano Ward, Tokyo	1,740	83	88.0%	Dec 1, 2015	Nichii Carepalace Company
S-4	Residence type	Yuimaru Hijirigaoka	Tama City, Tokyo	1,175	71	100.0% (Note 2)	Dec 4, 2015	Community.Net Co., Ltd.
S-5	With nursing	Irise Kamata/Yuseien	Ota Ward, Tokyo	1,100	48	100.0% (Note 2)	Feb 1, 2016	Hasegawa Care Service Co., Ltd.
S-6	With nursing	Activa Biwa	Otsu City, Shiga	6,940	384	83.3%	Jan 1, 2016	UNIMAT Retirement Community Co., Ltd. (Note 3)
S-7	With nursing	Sompo Care Lavire Kobe Tarumi (Note 6)	Kobe City, Hyogo	1,900	100	90.0%	Dec 1, 2015	Sompo Care Next Inc (Note 4)
S-8	Residence type	Granda Mondo Yakujin	Nishinomiya City, Hyogo	1,180	62	98.4%	Dec 1, 2015	Benesse Style Care Co., Ltd.
S-9	With nursing	Excellent Nishinomiya	Nishinomiya City, Hyogo	750	67	100.0% (Note 2)	Jan 17, 2016	Excellent Care System T Co., Ltd.
S-10	With nursing	Ten	Sapporo City, Hokkaido	2,285	85	91.8%	Jan 1, 2016	Social Welfare Corp. Note Fukushi Kai
S-11	Residence type	Irise Nishioka	Sapporo City, Hokkaido	800	83	83.1%	Oct 1, 2015	Hasegawa Care Service Co., Ltd.
S-12	With nursing	Sawayaka Sakura Nibankan	Akita City, Akita	960	92	100.0%	Jul 1, 2015	Sawayaka Club Co., Ltd.
S-13	Residence type	Alpha Eniwa Sta. Nishiguchi Saikaihatsu Building	Eniwa City, Hokkaido	1,600	73	47.9% (Note 7)	Feb 2, 2016	Hasegawa Care Service Co., Ltd.
S-14	Elderly home with service	Gran Hills Ogawarako	Kamikita District, Aomori	1,360	103	100.0% (Note 2)	Jul 31, 2015	Silver Town Ltd.
Total/Average				27,965	1,643	88.9% (Note 5)		

(Note 1) Actual occupancy rates (Based on end-tenants) are calculated by dividing the no. of end-tenants, which is provided in the disclosure statement, by the no. of rooms, and is rounded to the first decimal place. Meanwhile, the rate of "Gran Hills Ogawarako" is based on the data submitted by the operator.

(Note 2) Since the actual occupancy rates (Based on end-tenants) for Yuimaru Hijirigaoka (Actual occupancy rate: 109.9%), Irise Kamata/Yuseien (102.1%), Excellent Nishinomiya (104.5%), and "Gran Hills Ogawarako" (121.4%) exceed 100%, the nominal rates are presented here respectively as 100%

(Note 3) UNIMAT SOYOKAZE Co., Ltd. changed its company name to UNIMAT Retirement Community Co., Ltd. on October 1, 2015.

(Note 4) Watami no KAIGO Co., Ltd. changed its company name to Sompo Care Next Inc. on Dec 1, 2015.

(Note 5) The average of actual occupancy rate (Based on end-tenants) was calculated with the actual occupancy rates of "Yuimaru Hijirigaoka," "Irise Kamata/Yuseien," "Excellent Nishinomiya," and "Gran Hills Ogawarako," respectively, as 100.0%.

(Note 6) On April 1, 2016, the name was changed from "Rest Villa Kobe Tarumi" to "Sompo Care Lavire Kobe Tarumi" (hereinafter, the same).

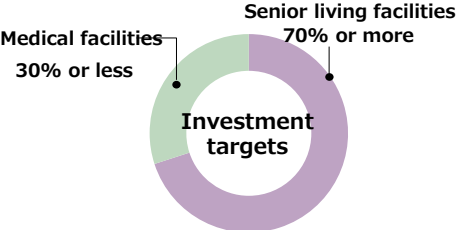
(Note 7) The Actual occupancy rate of "Irise Eniwa," which is located on the 4th-6th floors of Alpha Eniwa Sta. Nishiguchi Saikaihatsu Building, is shown.

Investment targets policies and overview of our portfolio

JSL aims at a diversity of facility types, regions, sizes and operators.

Investment Targets

Investment target ratio by area

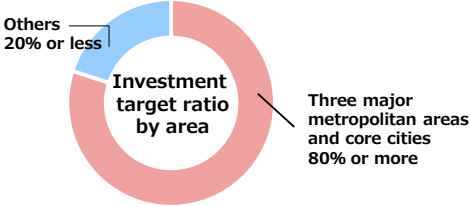


Senior living facilities 70% or more

- Fee-based homes for the elderly (with nursing care)
- Fee-based homes for the elderly (residential)
- Fee-based homes for the elderly (health-type)
- Serviced housing for the elderly
- Other

Medical facilities 30% or less

- Hospitals
- Clinics
- Medical malls
- Intermediate nursing homes
- Other



Overview of our portfolio

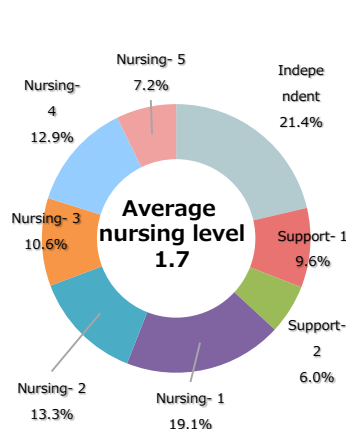
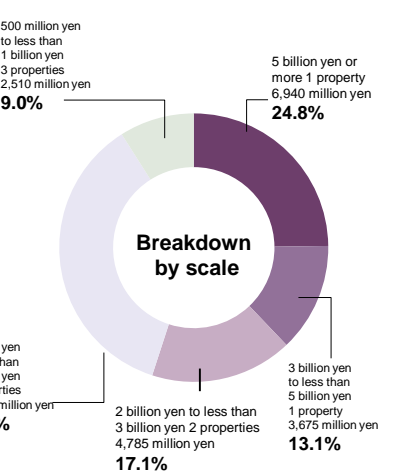
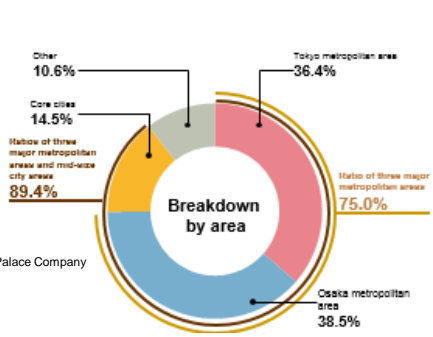
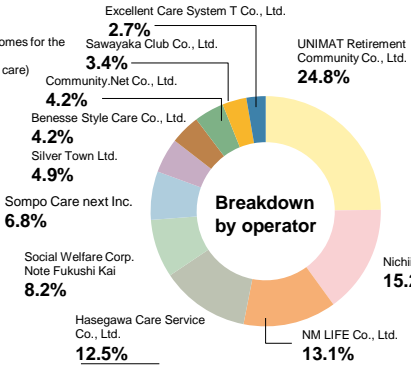
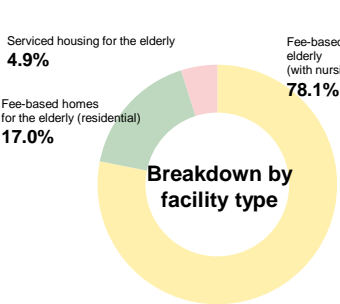
① Facility type

② Operator

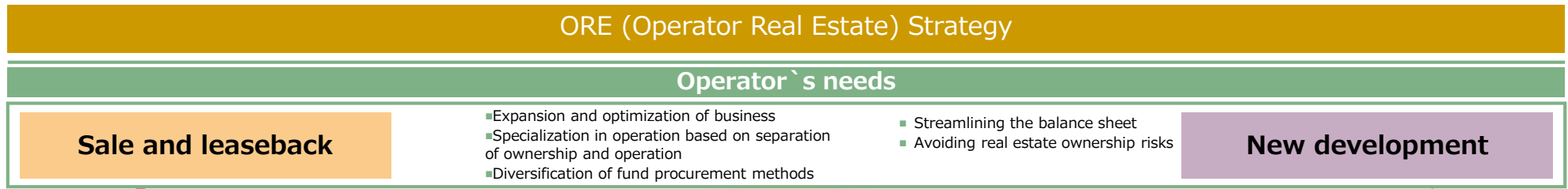
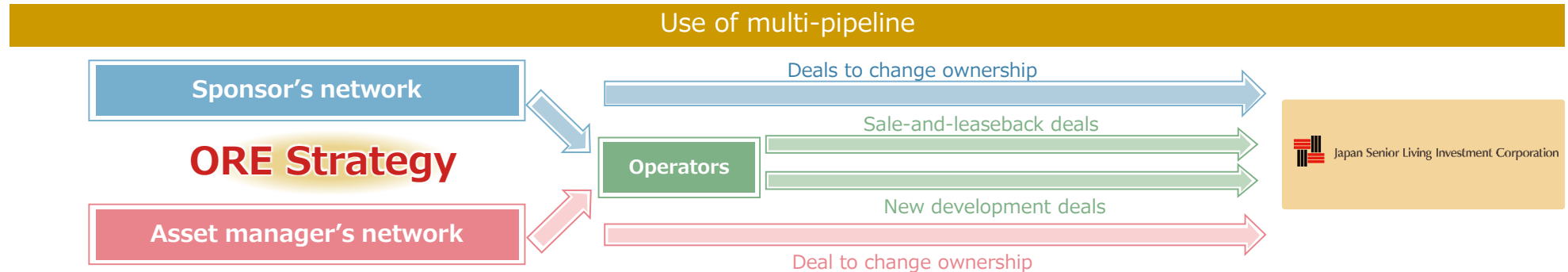
③ Location

④ Scale




⑤ Nursing level (Note 3)



(Note 1) The three major metropolitan areas are the Kanto area, the Osaka metropolitan area and the Nagoya metropolitan area.
 The core cities are ordinance-designated cities, mid-size city areas and special cities, excluding the three major metropolitan areas.
 (Note 2) The ratios presented in ①-④ above are based on acquisition prices.
 (Note 3) The "Nursing level" represents the ratios, by support/nursing level, of residents against the total no. of residents. The "Average nursing level" represents the "Total of (A x B)'s" divided by C: A="No. of residents by nursing level defined by the disclosure statement"; B="0" for independent, "0.375" for support-1, "1" for support-1, or "1-5" respectively for nursing-1 to nursing-5; and C="Total no. of residents." The data are based on the disclosure statement or the operator's submitted materials.
 The points of time for the data are based on the description on the previous page (hereinafter, the same, unless otherwise provided for).



Sale-and-leaseback deals: six facilities, 14,900 m. yen (53.3%) (Note)

 Activa Biwa (residential buildings)	 Joy Stage Hachioji	 Ten
 Yuimaru Hijirigaoka	 Sawayaka Sakura Nibankan	 Excellent Nishinomiya

New development: four facilities, 5.7 bn. yen (20.5%)

 Activa Biwa (care center buildings)	 Alpha Eniwa Sta. Nishiguchi Saikaihatsu Building
 Gran Hills Ogawarako	 Rest Villa Kobe Tarumi

(Note) Percentages indicate the value out of the total acquisition price.

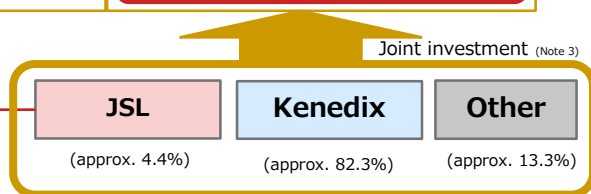
Pursuit of external growth based on diversified acquisition methods

- Based on joint-capital-investment with the sponsor, JSL has acquired equity interest in silent partnership, and has accordingly obtained preferential negotiation rights to five medical facilities (March 28, 2016)

Overview of equity interest in silent partnership

KSLF8 limited liability company (Note 1)	
(Assets)	(Liabilities)
Real-estate-trust beneficiary right, etc. (Note 2): 12,010 m. yen	Non-recourse loan: 7,500 m. yen
	(Capital)
	Silent partnership capital, etc. (Note 4): 4,510 m. yen

Preferential negotiation right to acquisition was obtained.



- KSLF8 limited liability company owns, as managed assets, five intermediate nursing homes facilities located in the three major metropolitan areas. JSL has acquired KSLF8's equity interest in silent partnership through joint-capital-investment with Kenedix, Inc. (the sponsor), etc.
- When JSL acquired the equity interest in silent partnership, it also acquired the preferential negotiation right to managed-assets acquisition, which allows JSL to conduct preferential negotiation with the entity at a price of 11,650 m. yen or more, submitting a notice of purchase by March 29, 2019.
- Regarding managed-assets acquisition, the assumed distribution yield from the equity interest in silent partnership is 11.0%. (Note 4)

Note 1: An overview of silent partnership's balance sheet as of March 28, 2016 is presented.

Note 2: The total value of real estate appraisal for the managed assets as of Jan. 1, 2016 is 12,320 m. yen.

Note 3: Regarding the silent partnership capital, this investment corporation invested 200 m. yen (approx. 4.4% of the total), and Kenedix, Inc. invested 3,710 m. yen (approx. 82.3% of the total), as of March 28, 2016

Note 4: Assumed distribution yield = "the total volume of assumed silent partnership distributions that this investment corporation received" divided by "the acquisition price of 200 m. yen" (finally annualized and rounded to the first decimal place). This is on the assumption that there was no change in the tenant agreement as of the date when JSL acquired this equity interest in silent partnership, and that this limited liability company managed the trust beneficiary right for three years.

Managed assets related to equity interest in silent partnership



Property name	Canadian Hill	Anesis Hyogo	Orage Suma	Rococo-riha	Anesis Teradacho
Location	Kobe, Hyogo	Kobe, Hyogo	Kobe, Hyogo	Toyonaka, Osaka	Osaka city, Osaka
Appraisal value	1,950 m. yen	1,490 m. yen	2,950 m. yen	2,200 m. yen	3,730 m. yen

Minimum purchase price provided by the preferential negotiation right

11,650 m. yen

Total of appraisal values

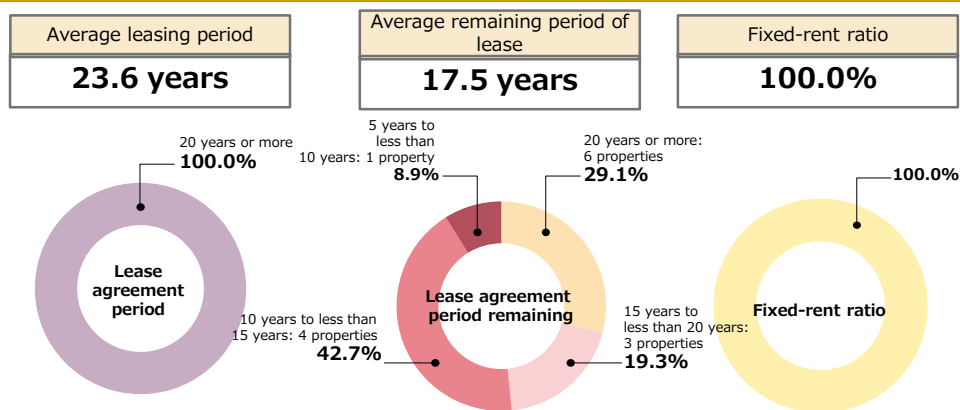
12,320 m. yen

(Note) The operator of the managed assets is Kouyukai Healthcare Corporation.

Stable cash flow through a long-term lease agreement with fixed rent and high management capabilities

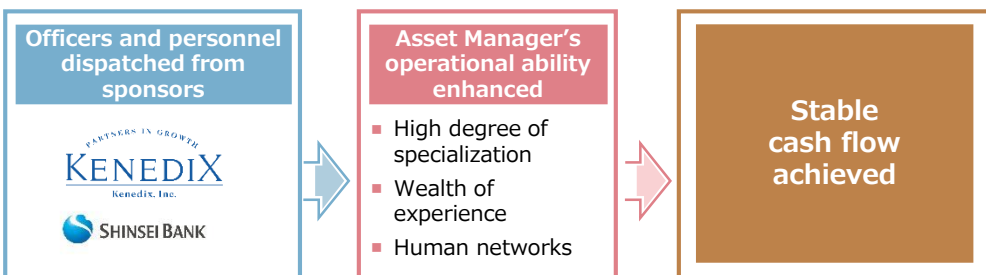
- Long-term lease agreement with fixed rent
- Discerning operator selection

Stable cash flow through a long-term lease agreement with fixed rent



(Note 1) The data is as of the end of the 1st fiscal period (ended Feb. 2016). The ratios are based on acquisition prices.
 (Note 2) If an acquisition asset involves multiple tenants, the data is based on the leasing agreement with the operator, who is the major tenant.

The Highly Specialized, Abundantly Experienced Members of Our Asset Manager



Selection of operator with management track record

Operator	Established	Revenue (million yen)	Facilities operated (Note 2)	No. of rooms (capacity) (Note 2)	Listed/unlisted
UNIMAT Retirement Community Co., Ltd. (Note 1)	June 2, 1975	42,537	154	4,665 (4,395)	Listed on JASDAQ on the Tokyo Stock Exchange
Nichii Carepalace Company	June 22, 1964	18,445	66	4,255 (4,152)	Subsidiary of Nichii Gakkan Company, which is listed on the first section of the Tokyo Stock Exchange
NM LIFE Co., Ltd.	October 5, 1995	908	1	263 (232)	100% subsidiary of Iriscare Inc., which is unlisted
Hasegawa Care Service Co., Ltd.	November 1, 2006	14,047	74	4,352 (4,330)	Unlisted
Social Welfare Corp. Note Fukushi Kai	June 13, 1983	5,354	38	1,433 (779)	Unlisted
Sompo Care Next Inc. (Note 1)	November 11, 1992 (Note 1)	35,404	114	8,805 (8,651)	Subsidiary of Sompo Japan Nipponkoa Holdings, Inc., which is listed on the first section of the Tokyo Stock Exchange
Benesse Style Care Co., Ltd.	September 7, 1995	86,698	291	15,595 (16,185)	Consolidated subsidiary of Benesse Holdings, which is listed on the first section of the Tokyo Stock Exchange
Community Net Co., Ltd.	June 24, 1998	1,060	9	859 (447)	Unlisted
Sawayaka Club Co., Ltd.	December 1, 2004	12,486	64	3,925 (3,892)	Consolidated subsidiary of UCHIYAMA HOLDINGS Co., Ltd., which is listed on the first section of the Tokyo Stock Exchange
Excellent Care System T Co., Ltd.	June 2, 2004	2,590	16	542 (517)	Unlisted
Silver Town Ltd.	February 25, 2003	155	3	187 (177)	Unlisted

(Note 1) The figures for "Revenue" are based on the information obtained when this document was prepared.
 (Note 2) The figures for "Facilities operated" and "No. of rooms (capacity)" are as of December 31, 2015.

Portfolio management performance

- Has continued to offer proposals on repair & renovation, and proposals and consultation on operation & sales methods based on monitoring; and has stably maintained and improved portfolio revenue

Average of actual occupancy rate

(Based on end-tenants) (Note 3)

88.2%

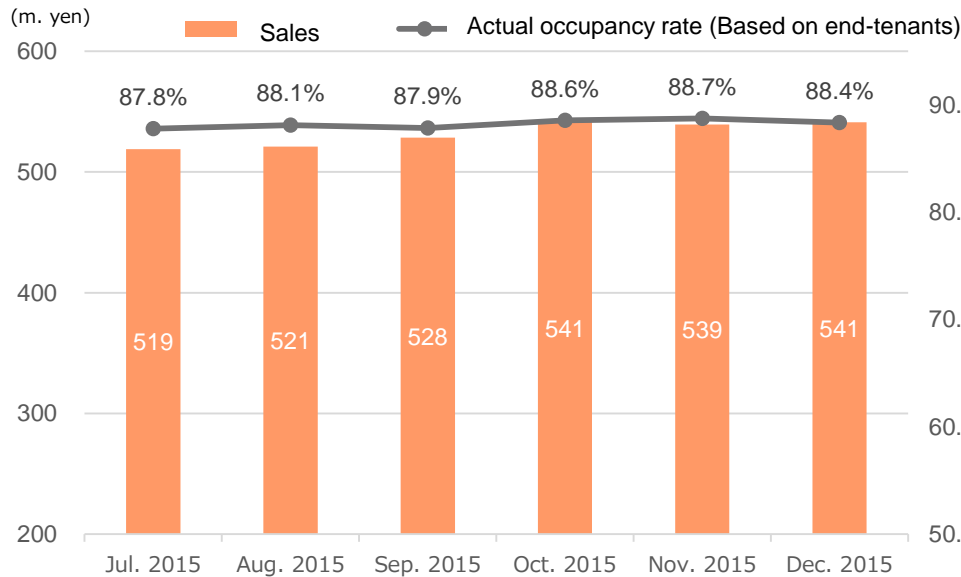
Moving-in rate (Note 4)

16.3%

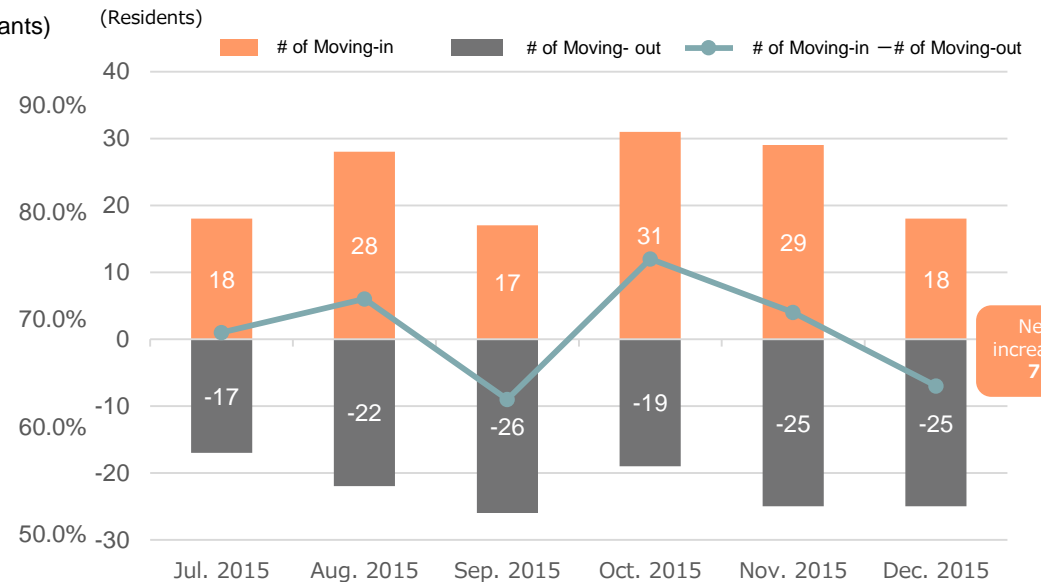
Moving-out rate (Note 4)

15.5%

Actual occupancy rate and Revenue (Jul.–Dec. 2015)



Moving in and Moving out (Jul.–Dec. 2015)



(Note 1) "Actual occupancy rate(Based on end-tenants)," "Revenue," "Moving in," and "Moving out" are based on data from materials submitted by the operators. However, the data of "Granda Mondo Yakujin" were not disclosed because the operator did not authorize such disclosure, and accordingly were not included in the respective data items. "Revenue" represents the value of the total revenue of senior living facilities, excluding "Granda Mondo Yakujin."

(Note 2) "Actual occupancy rate rate(Based on end-tenants)" = "Total no. of tenants in portfolio" divided by "Total no. of rooms" (rounded to the first decimal place)

(Note 3) A simple average of the actual occupancy rates (Based on end-tenants) during the six months from Jul. to Dec. 2015 is presented.

(Note 4) Total "Moving in" and total "Moving out" were divided by the total capacity (during the six months from Jul. to Dec. 2015), and then annualized for presentation.

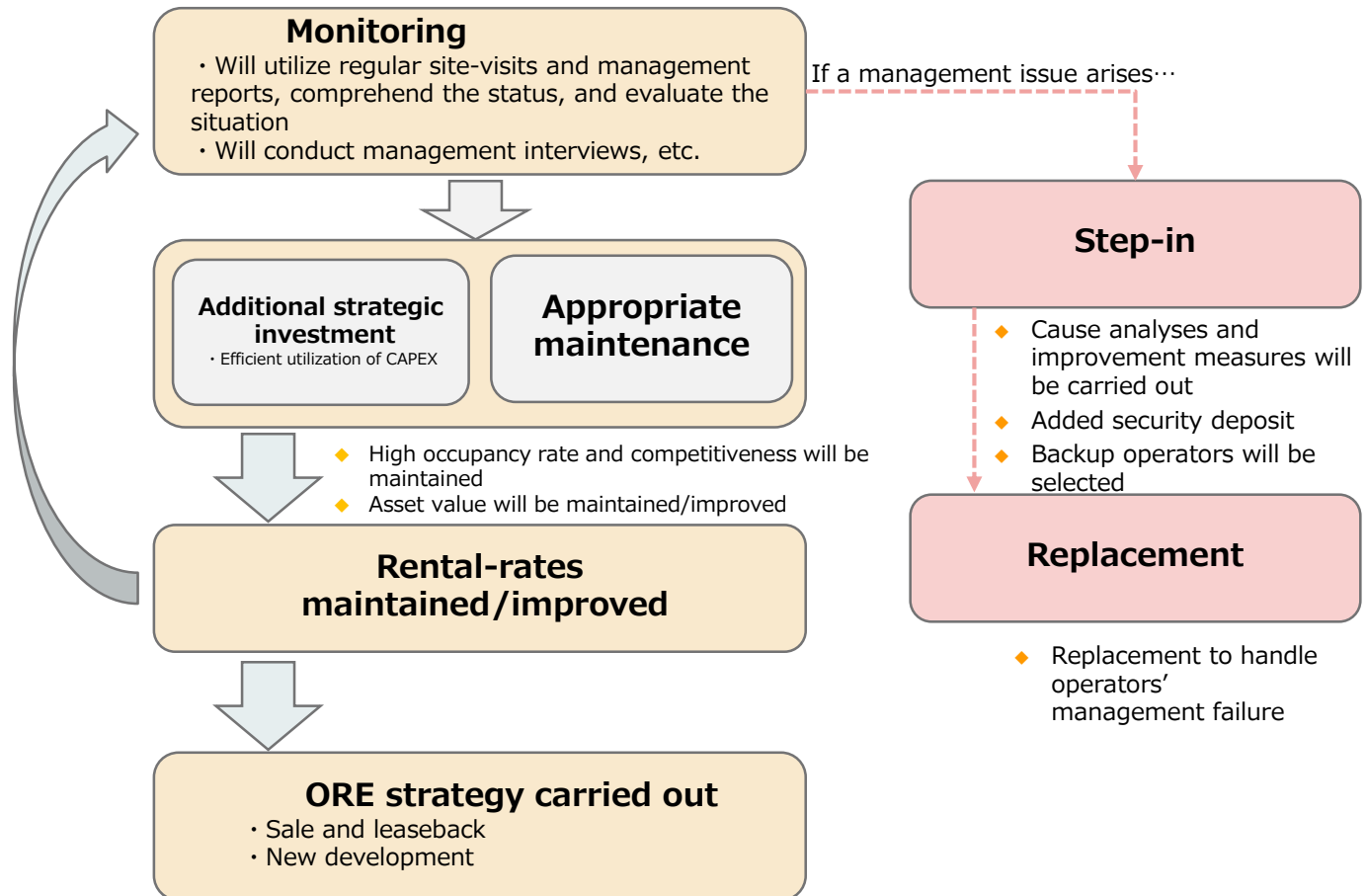
Internal growth strategy

- Will realize steady revenues based on systematic monitoring, and will maintain property competitiveness based on appropriate maintenance

Investment criteria for individual property (at acquisition)

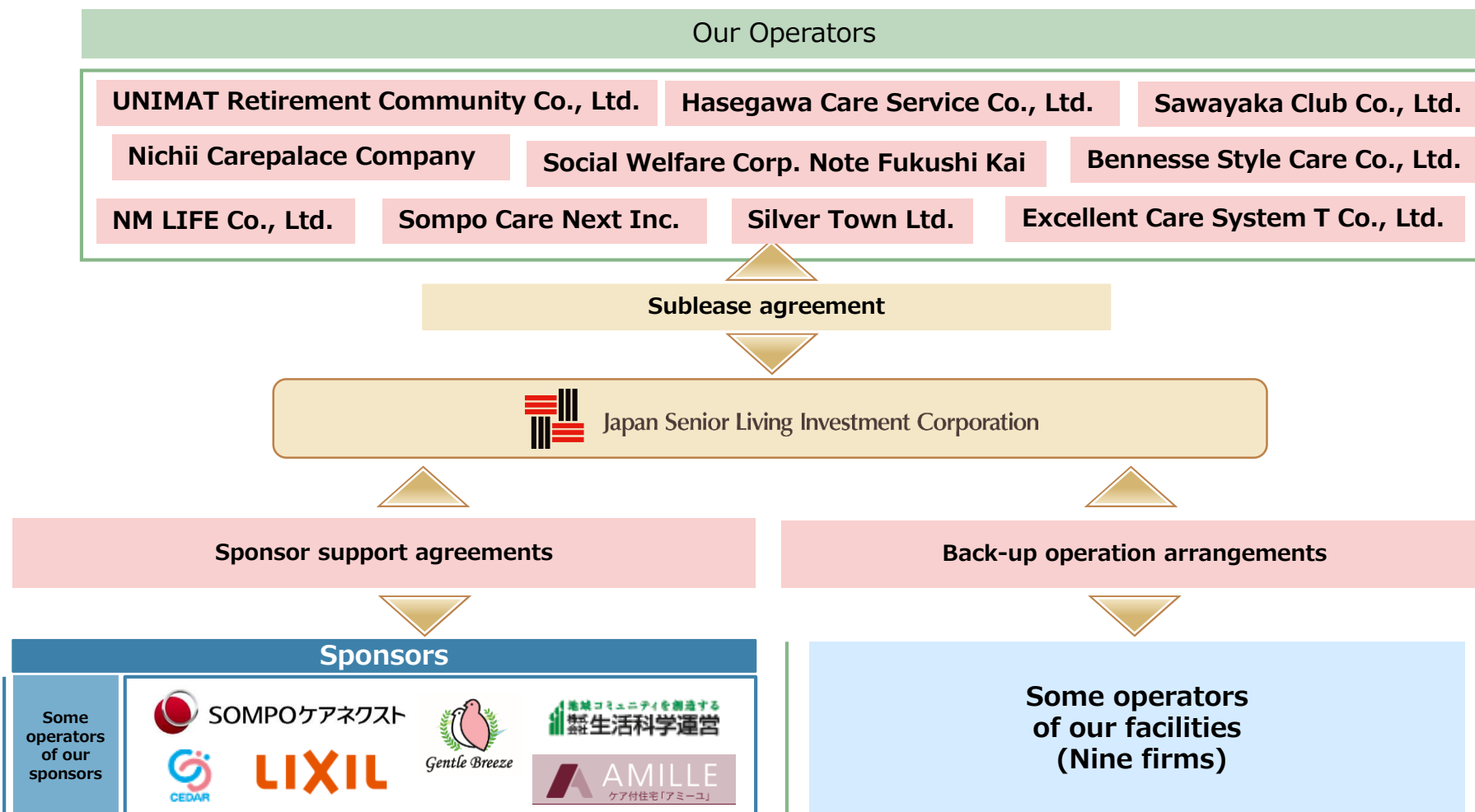
Real estate
<ul style="list-style-type: none"> • Location • Specs. of building/equipment • Suitability for business model • Versatility
Operator
<ul style="list-style-type: none"> • Management philosophy • History and operation • Financial credit
Operation
<ul style="list-style-type: none"> • Business revenue (rent-paying capacity) • Service quality • Market environment

Management process after property acquisition



Back-up Operation Functions

- Stable management through the high specialization and abundant experience of the asset management company
- Preserving the continued stability of our residents through back-up operation functions



Classification of senior living facilities by type

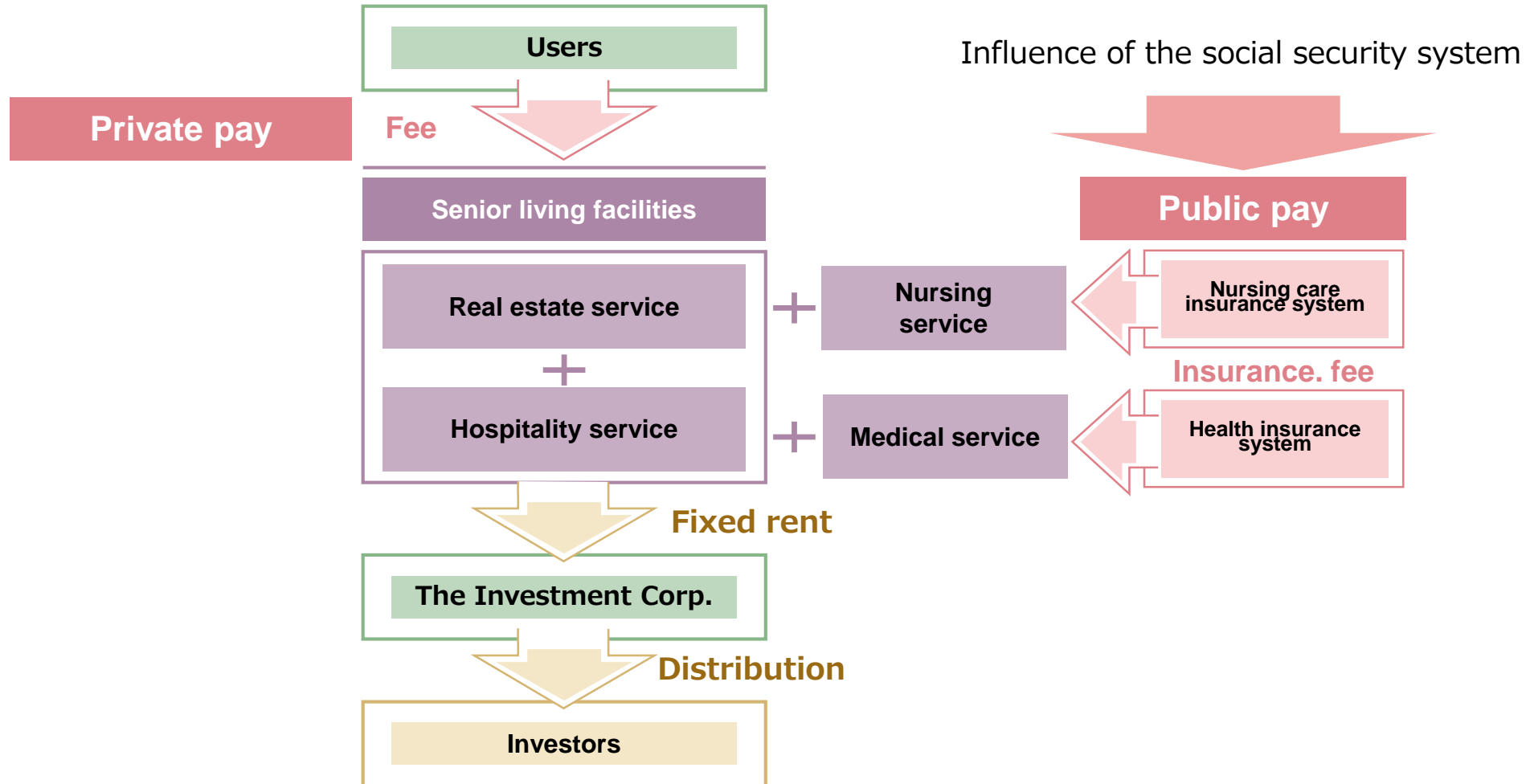
	For persons living on their own		For persons requiring nursing care	
	Mid-price range	High price range	Mid-price range	High price range
Demand	Potential demand	△	◎	○
Monthly housing charge	JPY 100,000 to less than JPY 300,000	JPY 300,000 or more	JPY 100,000 to less than JPY 300,000	JPY 300,000 or more
Living floor area	25~50㎡	50~100㎡	15~25㎡	18~25㎡
Properties within a room	Washroom, air conditioner, bathroom, kitchen, etc.		Washroom, air conditioner, etc.	
Shared equipments	Dining room, kitchen, lounge, etc.	Dining room, kitchen, public bathroom, lounge, coffee corner, theater, Karaoke room, hobby room, fitness room, guest room, etc.	Dining room, kitchen, bathroom (for individual, public bath room and mechanical bathroom), helper station, health management room, lounge, rehabilitation room, etc.	

(Note 1) The above chart shows, in a simplified manner, the general features of demand, monthly housing charge, living floor area, room amenities and shared amenities assumed by the Investment Corporation to pertain to the mentioned types of senior living facilities.

(Note 2) The monthly housing charge is calculated as follows: “the amount of lump sum received, if any, divided by the No. of months of the amortization period defined by the tenant agreement” + “the monthly usage charge (including meal charges).”

Typical earnings structure of senior living facilities

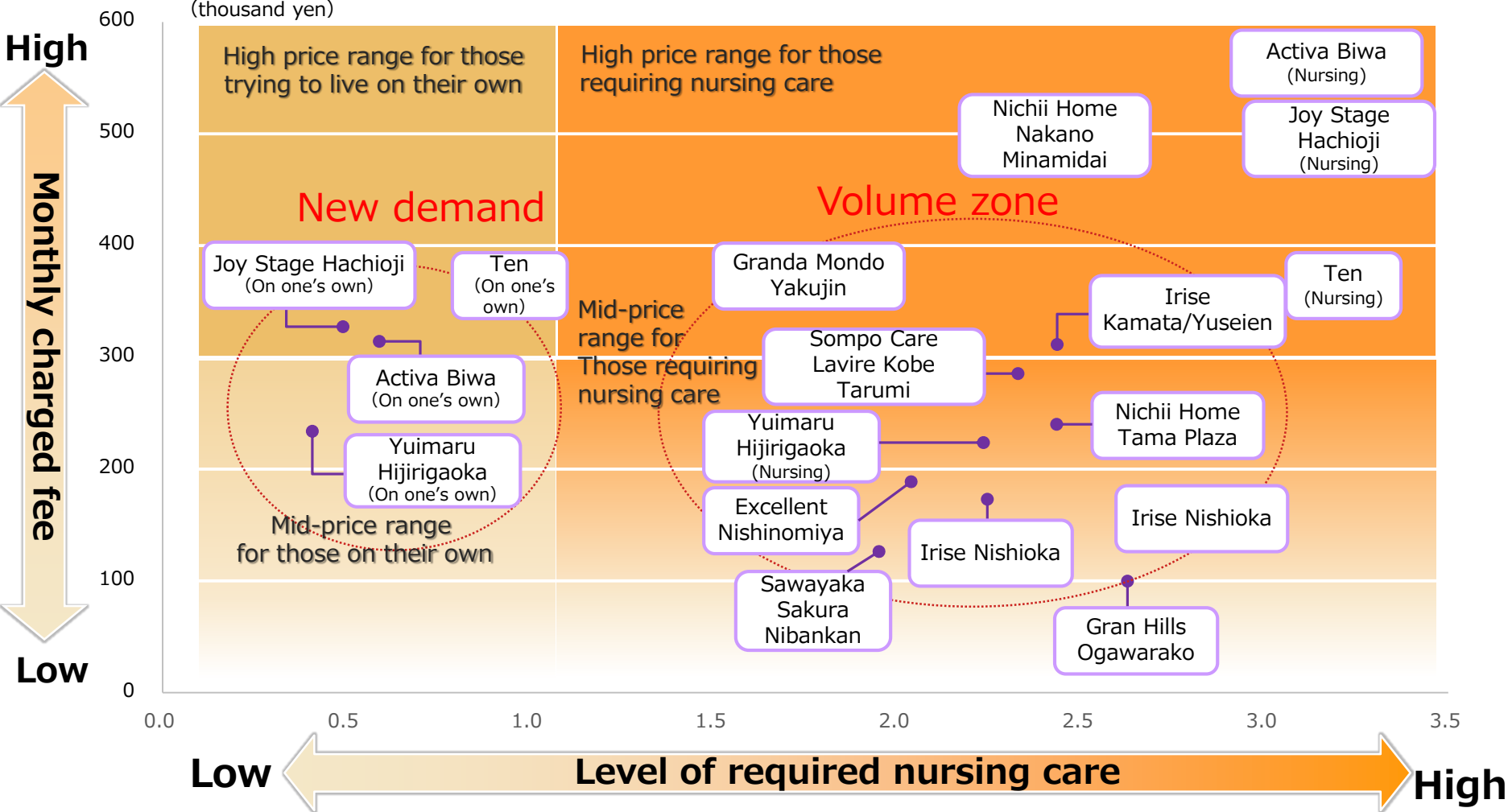
- JSL receives stable fixed rent fee by senior living facilities
- The level of risk of the social security system may vary, due to dependence on public pay



(Note) This is a schematic chart designed by JSL to show the typical earnings structure of a senior living facility.

Characteristics of senior living facilities by type

Average Required level of nursing for Senior living facilities and distribution of monthly paid fee



(Note) This is a simplified chart designed by JSL to organize the features of the senior living facilities in its portfolio.

Diverse Support from 6 Companies with Proven Track Records

KENEDIX
PARTNERS IN GROWTH

60% shareholder
Listed on the first section of the Tokyo Stock Exchange
Notable track record as a sponsor for 5 listed investment corporations



5% shareholder
Healthcare/finance pioneer capable of accurate risk analysis and management



20% shareholder
Operates 22 senior living facilities through subsidiary of Seikatsu Kagaku Un-Ei Co., Ltd. and 10 senior living facilities through CENTURY LIFE



5% shareholder
Real estate agent, real estate management, topclass track record as a trust bank



5% shareholder
Operates 5 senior living facilities through subsidiary of LIXIL SENIOR LIFE COMPANY



5% shareholder (Note1)
Operates senior living facilities through related company of Cedar Co., Ltd. and subsidiary of Sompo Care Next Inc.

Sponsor support agreements								
	Preferential negotiating right	Development	Information provision	Warehousing	Renovation/maintenance	Human support or provision of expertise	Backup operator	Financial affairs
Kenedix, Inc.	●	●	●	●		●		
Shinsei Bank, Limited			●			●		●
Haseko Corporation	●	●	●		●	●	●	
Mitsubishi UFJ Trust and Banking Corporation			●			●		●
LIXIL Group Corporation	●		●		●		●	
Sompo Japan Nipponkoa Holdings, Inc.	●		●			●	●	●

(Note 1) The investment ratio is the ratio of the total shares issued by the Asset Management Company to the number of shares held by the Sponsor Company (in the case of Sompo Japan Nipponkoa Holdings, Inc., the number of shares held by its subsidiary, Sompo Japan Nipponkoa Insurance Inc.).

(Note 2) "Preferential negotiating right": With regard to real estate that the Sponsor Company or its group firms own, the Sponsor Company assumes liability to provide or to strive to provide information on sales of real estate to the Asset Management Company no later than such information provision to parties other than the Asset Management Company in any given situation. Even when preferential negotiating rights or the support of information provision is applicable, the Sponsor Company does not assume liability to sell real estate at the price requested by the Investment Corporation.

SOMPO Holdings enters the nursing-service business Japan Senior Living Investment Corporation

Enhanced and accelerated efforts in the nursing-service market

- Sep. 2012** Capital investment in CEDAR CO.,LTD. through a limited partnership for investment business (equity: 34.0%)
- May 2014** **Capital investment in Japan Senior Living Partners, Inc. (equity: 5.0%)**
- Mar. 2015** Capital/business alliance with Message Co.,Ltd. (equity: 3.5%)
- Dec. 2015** Made Watami Nurshig Services Co., Ltd. a full subsidiary (currently, Sompo Care Next Inc.) (equity: 100%)
- Mar. 2016** Made Message Co.,Ltd. a subsidiary (equity: 94.6%^(Note 2))

SOMPO Holdings				
Established nursing care and health care division (New organization from April 1, 2016)				
Company name	Message	Sompo Care Next	Total of two companies	Cedar ¹
Number of employees (Consolidated)	17,872 persons	7,164 persons	25,036 persons	1,675 persons
Sales (Consolidated)	78.9 billion yen	35.4 billion yen	114.3 billion yen (Second highest sales in Japan)	10.7 billion yen
Principal business activities	At-facility nursing care	Number of rooms for the elderly: approximately 17,000 rooms Fee-based homes for the elderly: 183 facilities Rental housing for elderly with living support services: 121 buildings	Number of rooms for the elderly: approximately 8,000 rooms Fee-based homes for the elderly: 111 facilities	Number of rooms for the elderly: approximately 2,000 rooms Fee-based homes for the elderly: 37 facilities
	At-home nursing care	At-home services: approximately 400 offices	Outpatient nursing care office: 10 offices	Outpatient nursing care office: 31 offices

(Note 1) The data for employees, revenue, and facilities/bases are as of the end of March 2015.

(Note 2) The figures of Sompo Japan Nipponkoa Holdings, Inc. (equity: 91.13%) and Sompo Japan Nipponkoa Insurance Inc. (equity: 3.5%) are totaled, and rounded to the first decimal place.

Financial Highlights (as of the end of 1st fiscal period (2016/2))

Overview of interest-bearing debt (Note 1)

Classification	Lender	Balance (million yen)	Interest rate (Note 2)	Repayment date
Series 1-A (Short-Term)	Shinsei Bank, Limited; Sumitomo Mitsui Banking Corporation	1,000	Base interest rate (JBA one month yen TIBOR) +0.3%	July 29, 2016
Short-term borrowings total		1,000		
Series 1-B (long-term)	Shinsei Bank, Limited; Sumitomo Mitsui Banking Corporation; Mitsubishi UFJ Trust and Banking Corporation; Mizuho Bank, Ltd.; Nippon Life Insurance Company	3,500	0.4352% per annum interest rate	July 30, 2018
Series 1-C (long-term)	Shinsei Bank Limited; Sumitomo Mitsui Banking Corporation; Mitsubishi UFJ Trust and Banking Corporation; Mizuho Bank, Ltd.; Resona Bank; Mizuho Trust & Banking Co., Ltd.	6,000	0.7287% per annum interest rate	July 29, 2020
Series 1-D (long-term)	Shinsei Bank Limited; Sumitomo Mitsui Banking Corporation; Mitsubishi UFJ Trust and Banking Corporation; Mizuho Bank, Ltd.; Sompo Japan Nipponkoa Insurance Inc.	4,500	1.1145% per annum interest rate	July 29, 2022
Long-term borrowings total		14,000		
Borrowings total		15,000		

(Note 1) The borrowing date is July 29, 2015, and borrowings will be repaid by lump repayment on the repayment date. "Series 1" is the syndicate loan with Shinsei Bank as the arranger.

(Note 2) Long-term borrowings all have non-fixed interest rates; however, to hedge the risk of interest rate increase, interest rate swaps are conducted. Accordingly, the interest rates shown are all fixed rates through interest rate swaps.

Financial status

Average remaining period to maturity **4.3 years**

Average interest rate (Note 1) **0.92%**

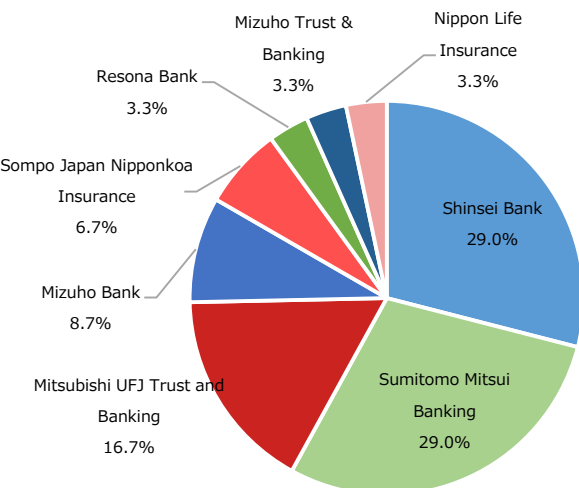
Long-term borrowing ratio **93.3%**

LTV (Note 2) **42.5%**

(Note 1) The value is the aggregation of "base interest," "spread" and "rate of annualized upfront fee" (rounded to the second decimal place).

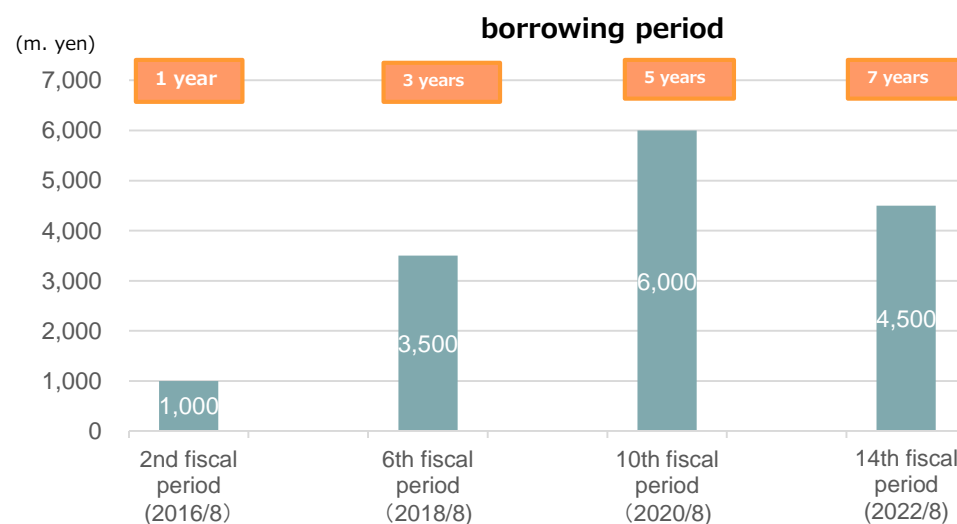
(Note 2) LTV = "balance of interest-bearing debt" divided by "total assets" (rounded to the first decimal place)

Outstanding borrowings by lender



Lender	Balance (m. yen)
Shinsei Bank, Limited	4,350
Sumitomo Mitsui Banking Corporation	4,350
Mitsubishi UFJ Trust and Banking Corporation	2,500
Mizuho Bank, Ltd	1,300
Sompo Japan Nipponkoa Insurance Inc.	1,000
Resona Bank	500
Mizuho Trust & Banking Co., Ltd	500
Nippon Life Insurance Company	500
Total	15,000

Diversification of debt maturities



(Note) The bars in the chart illustrate the total debt amounts that reach maturity in each period. 19

Unitholders' special-benefit program (1st fiscal period (2016/2))

- JSL established the special-benefit system with the aim of **contributing to the health and longevity** of unitholders and their families.
- The system offers special benefits not only at facilities that this investment corporation owns, but also at the following **private nursing homes managed by the following eight operators.** (Note 1)

Specific special benefits at approx. 300 facilities

Sompo Care Next Inc.

- Discount on one-time payment for resident (100,000 yen or 1% of value; the higher value will be applied)
- Same-day facility site-visit (with lunch) free of charge

114 facilities

Areas:
Tokyo, Kanagawa, Saitama,
Chiba, Aichi, Osaka, Hyogo,
Hiroshima

Sawayaka Club Corporation

- 10% discount on usage charge for first month
- Trial residence free of charge (1-night, 2-day stay, with dinner and breakfast)
- Same-day facility site-visit (with lunch) free of charge

54 facilities

Areas:
usage charge for the first month,
Akita, Tochigi, Saitama
Chiba, Niigata, Aichi, Mie, Osaka
Kyoto, Hyogo, Ehime, Fukuoka

Seikatsu Kagaku Un-Ei Co.,Ltd

- Same-day facility site-visit (with lunch) free of charge

22 facilities

Areas:
Tokyo, Kanagawa, Saitama,
Chiba, Shizuoka, Aichi,
Kyoto, Osaka

Hasegawa Care Service Co., Ltd.

- Trial residence free of charge (1-night, 2-day stay, with dinner and breakfast)
- Same-day facility site-visit (with lunch) free of charge

82 facilities

Areas:
Tokyo, Kanagawa, Saitama
Chiba, usage charge for the first
month, Nagano, Okinawa

CENTURY LIFE CORPORATION

- Same-day facility site-visit (with lunch) free of charge

9 facilities

Areas:
Tokyo, Kanagawa, Saitama
Chiba, Osaka

Excellent Care System T Co., Ltd.

- 10% discount on usage charge for first month
- Trial residence free of charge (1-night, 2-day stay, with dinner and breakfast)
- Same-day facility site-visit (with lunch) free of charge

12 facilities

Areas:
Tokyo, Kanagawa, Kyoto
Hyogo, Tokushima

LIXIL SENIOR LIFE

- On the condition of advance payment, the following are offered:
- Discount on one-time payment for resident (300,000 yen)
 - Trial residence free of charge (1-night, 2-day stay, with dinner and breakfast)
 - Same-day facility site-visit (with lunch) free of charge

5 facilities

Areas:
Tokyo, Fukuoka

NM LIFE Co., Ltd.

- Discount on one-time payment for resident (200,000 yen discount)
- Trial residence free of charge, up to three times (1-night, 2-day stay, with dinner and breakfast)
- Same-day facility site-visit (with lunch) free of charge (up to three times)

1 facility

Area:
Tokyo

(Note 1) The special benefits will be applied to private nursing homes that are managed by Sompo Care Next Inc., Seikatsu Kagaku Un-Ei Co.,Ltd., CENTURY LIFE CORPORATION, LIXIL Corporation ("LIXIL SENIOR LIFE"), Sawayaka Club Corporation, Hasegawa Care Service Co., Ltd, Excellent Care System Co., Ltd., and NMLIFE Corporation.

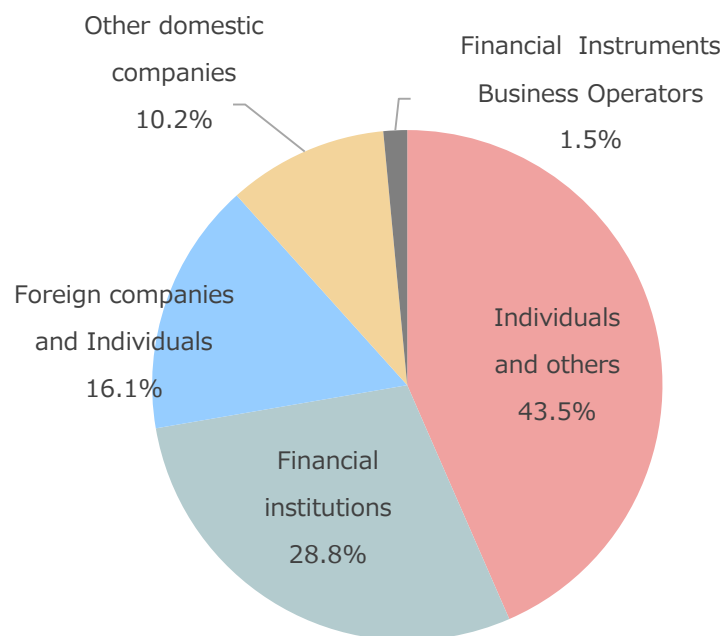
(Note 2) The special benefits will be applied to facilities available as of the record date (Feb. 29, 2016).

Unitholder Information (as of the end of 1st fiscal period (2016/2))

Number of unitholders by investor type

	Individuals and others	Financial institutions	Financial Instruments Business Operators	Other domestic companies	Foreign companies and Individuals	Total
1st fiscal period (ended Feb. 2016)	5,092	30	23	214	30	5,389

Ownership ratio by investor type



Major unitholders

Rank	Name	No. of units held	Ratio (%)
1	JAPAN TRUSTEE SERVICES BANK, LTD.	6,980	8.23
2	THE BANK OF NEW YORK MELLON SA/NV 10	4,288	5.05
3	TRUST & CUSTODY SERVICE BANK, LTD.	4,014	4.73
4	BNP PARIBAS SECURITIES SERVICES LUXEMBOURG/JASDEC/HENDERSON HHF SICAV	3,331	3.93
5	THE MASTER TRUST BANK OF JAPAN, LTD.	2,370	2.79
6	The Nomura Trust Banking Co., Ltd. (Trust Acct.)	2,366	2.79
7	KENEDIX, INC.	1,950	2.30
8	MSCO CUSTOMER SECURITIES	1,822	2.14
9	AEON Bank, Ltd.	1,750	2.06
10	BNYML – NON TREATY ACCOUNT	1,291	1.52
Total		30,162	35.58

(Note) Figures are based on the No. of units and are rounded down to the second decimal place. 21

Appraisal values (as of the end of 1st fiscal period (2016/2))

No.	Property name	Appraiser	Acquisition price (m. yen) (A)	End of 1 st fiscal period (as of Feb.29,2016)				As of Mar 31, 2015		Appraisal value		Direct capitalization method cap. rate
				Book value (m. yen) (B)	Appraisal value (m. yen) (C)	Capitalization method cap. (D)	Appraisal value Vs. Book value (C) ÷ (B) -1	Appraisal value (m. yen) (E)	Capitalization method cap. rate (F)	Change (C) - (E)	% change (C) ÷ (E) -1	Change (D) - (F)
S-01	Joy Stage Hachioji	JREI	3,675	3,863	3,780	5.3%	-2.2%	3,710	5.4%	70	1.9%	-0.1%
S-02	Nichii Home Tama Plaza	JREI	2,500	2,583	2,760	5.0%	6.8%	2,660	5.2%	100	3.8%	-0.2%
S-03	Nichii Home Nakano Minamidai	JREI	1,740	1,779	2,020	4.3%	13.5%	1,900	4.6%	120	6.3%	-0.3%
S-04	Yuimaru Hijirigaoka	Tanizawa	1,175	1,232	1,380	4.8%	12.0%	1,320	5.0%	60	4.5%	-0.2%
S-05	Irise Kamata/Yuseien	JREI	1,100	1,141	1,190	4.6%	4.3%	1,160	4.7%	30	2.6%	-0.1%
S-06	Activa Biwa	JREI	6,940	7,293	7,300	5.5%	0.1%	7,170	5.6%	130	1.8%	-0.1%
S-07	Sompo Care Lavire Kobe Tarumi (Note 6)	JREI	1,900	1,990	2,030	5.1%	2.0%	1,940	5.3%	90	4.6%	-0.2%
S-08	Granda Mondo Yakujin	Tanizawa	1,180	1,296	1,230	4.9%	-5.1%	1,190	5.1%	40	3.4%	-0.2%
S-09	Excellent Nishinomiya	JREI	750	789	918	5.3%	16.3%	885	5.5%	33	3.7%	-0.2%
S-10	Ten	JREI	2,285	2,484	2,560	6.3%	3.1%	2,490	6.5%	70	2.8%	-0.2%
S-11	Irise Nishioka	Tanizawa	800	886	867	5.2%	-2.2%	805	5.6%	62	7.7%	-0.4%
S-12	Sawayaka Sakura Nibankan	JREI	960	1,021	1,010	5.6%	-1.1%	976	5.8%	34	3.5%	-0.2%
S-13	Alpha Eniwa Sta. Nishiguchi Saikaihatsu Building	Tanizawa	1,600	1,735	1,760	5.3%	1.4%	1,680	5.6%	80	4.8%	-0.3%
S-14	Gran Hills Ogawarako	JREI	1,360	1,470	1,440	6.9%	-2.1%	1,420	7.0%	20	1.4%	-0.1%
Total			27,965	29,569	30,245	5.3%	2.3%	29,306	5.5%	939	3.2%	-0.2%

(注1) The ratios for the acquisition price, appraisal value and book value are rounded to the first decimal place.

(注2) The cap. rate for each property type is a weighted average value based on the appraisal value.

