

**NEWS RELEASE****FOR IMMEDIATE RELEASE****PLIFE REIT FURTHER EXPANDS ITS FOOTPRINTS IN JAPAN WITH  
ACQUISITION OF THREE NURSING HOMES**

- **DPU yield-accretive acquisition at an average net property yield of 6.5%<sup>1</sup>**
- **Strengthens collaboration with Living Platform, Ltd, PLife REIT's existing partner in Japan**

**Singapore, 13 September 2022** – Parkway Trust Management Limited (the “**Manager**”), as manager of Parkway Life Real Estate Investment Trust (“**PLife REIT**”), one of Asia’s largest listed healthcare REITs, is pleased to announce the further expansion of its Japan portfolio in the Hokkaido region through the acquisition of three nursing homes - Blue Terrace Kagura, Blue Rise Nopporo and Blue Terrace Taisetsu (collectively, the “**Properties**”) from Blue Melon Capital Kabushiki Kaisha and its wholly-owned subsidiary, K2 Healthcare Sapporo Godo Kaisha (collectively, the “**Vendors**”). The total consideration price is JPY2,558 million (S\$26.1 million<sup>2</sup>) (the “**Purchase Price**”).

**Attractive yield boosts returns for PLife REIT**

HSBC Institutional Trust Services (Singapore) Limited, as trustee of PLife REIT, has through its wholly-owned subsidiary, Parkway Life Japan4 Pte. Ltd., entered into a *Tokumei Kumiai* agreement (or silent partnership, similar to the holding structure for PLife REIT’s previous acquisitions in Japan) for the acquisition of the Properties. The acquisition will be made at approximately 12.2% below valuation and is expected to generate an average net property yield of 6.5%. The acquisition is expected to complete by Q3 2022. This transaction will bring PLife REIT’s Japan portfolio to 55 properties, totalling approximately S\$725.3<sup>3</sup> million in value.

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<sup>1</sup> The expected average net property yield is computed by dividing the contractual net property income by the purchase price of the Properties (excludes capitalised cost).

<sup>2</sup> All JPY to SGD conversion in this news release is based on an assumed exchange rate of S\$1.00 to JPY98.04.

<sup>3</sup> Based on the appraised value for the existing portfolio and the appraised values of the Properties, PLife REIT’s Japan portfolio will total to approximately JPY71.1 billion.

### **Fortify PLife REIT's portfolio & collaboration with an existing partner in Japan**

The Properties are well located with transportation connectivity within the residential areas of Ebetsu and Asahikawa Cities in Hokkaido Prefecture. The acquisition will see PLife REIT taking over the existing lease agreements of the Properties, with a balance lease term of approximately 19 years which will further improve PLife REIT's weighted average lease expiry (by gross revenue) from 17.01 years to 17.05 years<sup>4</sup>. This will enhance the resiliency of PLife REIT's earnings.

The Properties are operated by Blue Care Kabushiki Kaisha, a wholly-owned subsidiary of Living Platform, Ltd, which is one of PLife REIT's existing nursing home operators in Japan. The acquisition presents an opportunity for PLife REIT to strengthen its long-term working relationship with the Living Platform group. Established in 2011 and headquartered in Hokkaido, Living Platform, Ltd is a listed company on the Tokyo Stock Exchange and an experienced operator providing nursing business, services for disabilities and childcare services in Japan. It currently operates a total of 83 nursing homes, homes for disabilities and childcare/nursery schools in Japan.

**Commenting on the acquisition, Mr. Yong Yean Chau, Chief Executive Officer of the Manager,** said: "Against the backdrop of a COVID-19 impacted economy, Japan's aged care market remains stable and resilient. The acquisition not only strengthens our presence in Japan but also enhances our collaboration with our existing partner, Living Platform group. This acquisition has reinforced our steadfast approach of developing sustainable long-term partnerships alongside credible operators with synergic business strategies. Notably, this yield-accretive acquisition is expected to generate positive returns for our unitholders."

### **Acquisition Funding**

The acquisition will be fully funded by JPY debts. Similar to previous acquisition financing, the deployment of JPY funding provides a natural hedge for the foreign exchange risks arising from JPY denominated assets, thereby insulating PLife REIT from potential currency volatility.

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<sup>4</sup> As at 31 August 2022.

Following the acquisition, PLife REIT's leverage ratio will increase from 32.5% (as at 30 June 2022) to approximately 33.4%, which is within the regulatory gearing limit for Singapore REITs under the Code on Collective Investment Schemes.

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### **About Parkway Life REIT**

Parkway Life Real Estate Investment Trust (“PLife REIT”) is one of Asia’s largest listed healthcare REITs by asset size. It invests in income-producing real estate and real estate related assets that are used primarily for healthcare and healthcare-related purposes (including but are not limited to, hospitals, healthcare facilities and real estate and/or real estate assets used in connection with healthcare research, education, and the manufacture or storage of drugs, medicine and other healthcare goods and devices).

PLife REIT owns a well-diversified portfolio of 56 properties located in the Asia Pacific region, with a total portfolio size of approximately S\$2.29 billion<sup>5</sup> as at 31 December 2021. It owns the largest portfolio of strategically located private hospitals in Singapore comprising Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital. In addition, it has 52 assets of high-quality nursing home and care facility properties in various prefectures of Japan. It also owns strata-titled units/lots in MOB Specialist Clinics Kuala Lumpur in Malaysia.

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<sup>5</sup> Based on latest appraised values (excludes right-of-use assets).

**Important Notice**

This press release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in Parkway Life Real Estate Investment Trust (“PLife REIT” and the units in PLife REIT, the “Units”).

The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, Parkway Trust Management Limited, as Manager of PLife REIT, or any of its affiliates. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders of PLife REIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of PLife REIT or the Manager is not necessarily indicative of the future performance of PLife REIT or the Manager. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.