

**NEWS RELEASE****FOR IMMEDIATE RELEASE****PLIFE REIT FORTIFIES JAPAN PORTFOLIO WITH THE ACQUISITION  
OF TWO NEW NURSING HOMES IN OSAKA**

- **Yield-accretive acquisition of two new nursing homes**
- **Enhancement of tenant diversification with a new operator, K.K. BICUSS**
- **Development of a new strategic partnership with K.K. FDS, an established real estate developer in Japan**

**Singapore, 18 October 2023** – Parkway Trust Management Limited (the “**Manager**”), as manager of Parkway Life Real Estate Investment Trust (“**PLife REIT**”), one of Asia’s largest listed healthcare real estate investment trusts, is pleased to announce the acquisition of two nursing homes in the Osaka Prefecture — HIBISU Shirokita Koendori and HIBISU Suita (collectively, the “**Properties**”) from K.K. FDS (“**FDS**”) for a total consideration price of JPY1,766.4 million (approximately S\$16.4 million<sup>1</sup>) (the “**Purchase Price**”).

**Enhanced Returns with Yield Accretive Acquisition**

HSBC Institutional Trust Services (Singapore) Limited, as trustee of PLife REIT, has through its wholly-owned subsidiary, Parkway Life Japan2 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 11.9% below valuation and is expected to complete by Q4 2023, bringing PLife REIT’s Japan portfolio to 59 properties, totalling approximately S\$710.7 million<sup>2</sup> in value.

**Fortification of PLife REIT’s Japan Portfolio with New Properties**

The Properties, HIBISU Shirokita Koendori and HIBISU Suita, were newly-constructed in 2022 and 2023 respectively. Both freehold properties which are well-located in the residential areas of their respective cities in the Osaka Prefecture, with close proximity to central Osaka City, are Building-Housing Energy-efficiency Labelling System (BELS)<sup>3</sup> certified. The acquisition will see PLife REIT taking over the existing lease agreements of the Properties, with an overall average long balance lease term of approximately 29 years. This will improve PLife REIT’s

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<sup>1</sup> All JPY to SGD conversion in this press release is based on an assumed exchange rate of S\$1.00 to JPY107.76.

<sup>2</sup> Based on the latest appraised values of the existing portfolio and the Properties.

<sup>3</sup> BELS is a third party certification system in Japan that evaluates the energy saving performance of buildings based on the Building Energy Efficiency Act.

weighted average lease expiry (by gross revenue) from 16.7 years<sup>4</sup> to 16.8 years, further enhancing the resiliency of PLife REIT's earnings.

### **Strategic Partnership with an Established Real Estate Developer & Tenant Diversification with a New Reputable Operator**

The Properties are developed by FDS, an established real estate developer in the Kansai region of Japan. Through the acquisition, PLife REIT has also entered into a Memorandum of Understanding with FDS to explore strategic alliances for future collaborations in Japan.

In addition, PLife REIT will be working with a new operator, K.K. BISSUSS ("**BISSUSS**"), a reputable nursing and care service operator in the Kansai region of Japan. Founded in 2015, BISSUSS currently operates 17 nursing and/or aged care facilities in Osaka and Hyogo Prefectures. The acquisition will enable PLife REIT to gain a new credible operator with proven track record for long-term partnership and further tenant diversification in Japan.

**Commenting on the acquisition, Mr. Yong Yean Chau, Chief Executive Officer of the Manager,** said: "Recognising the strong demand for health and aged care facilities driven by the ageing demographics, Japan remains to be a valued core market for PLife REIT. As we continue to grow our portfolio with more quality assets, we remain cognisant of the importance of fostering long-term strategic relationships with diversified partners. The acquisition of the two new properties will further entrench our presence in Japan and allow us to grow alongside BISSUSS, a new credible operator for PLife REIT. The initiation of a new partnership with FDS will also pave way for future pipeline of quality assets."

### **Acquisition Funding**

The acquisition will be fully funded by JPY debts. Similar to previous acquisitions, the deployment of the JPY funding provides a natural hedge for the foreign exchange risks arising from JPY denominated assets and mitigates against potential currency volatility.

Following the acquisition, PLife REIT's leverage ratio will increase from 35.3% (as at 30 June 2023) to approximately 35.8%, which is within the regulatory gearing limit for Singapore REITs under the Code on Collective Investment Schemes.

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<sup>4</sup> As at 30 June 2023.

### About Parkway Life REIT

Parkway Life Real Estate Investment Trust (“PLife REIT”) is one of Asia’s largest listed healthcare real estate investment trusts 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 61 properties located in the Asia Pacific region, with a total portfolio size of approximately S\$2.2 billion<sup>5</sup> as at 31 December 2022. 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 57 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 or 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.