

FOR IMMEDIATE RELEASE

First REIT steps up growth with the acquisition of two Japan nursing homes in Kanagawa and Aichi prefectures

- Acquisitions in line with 2.0 Growth Strategy to grow assets-under-management (“**AUM**”) in developed markets to more than 50% of portfolio and expected to be distribution per unit (“**DPU**”) accretive
- Addition of third-party operators Social Welfare Research Institute Co., Ltd. and Benesse Style Care Co., Ltd. will further enhance tenant diversification

SINGAPORE – 21 September 2022 – First REIT Management Limited, as manager (the “**Manager**”) of First Real Estate Investment Trust (“**First REIT**” or the “**Trust**”), today announced that First REIT, through its wholly-owned subsidiary, OUELH Japan Medical Facilities Pte. Ltd., has entered into a *Tokumei Kumiai* agreement, or silent partnership agreement for the acquisition of two nursing homes, Loyal Residence Ayase (“**Ayase**”) and Medical Rehabilitation Home Bon Séjour Komaki (“**Komaki**”) and together with Ayase, the “**Properties**”), for a total purchase consideration of JPY2.6 billion (approximately S\$26.3 million¹).

The Properties, which are located near Tokyo and Nagoya city centres, have a combined net property yield of 5.20%. Following the acquisitions, the geographical diversification of First REIT’s portfolio will be enhanced, with developed markets contributing to approximately one quarter of AUM³. Tenant diversification of First REIT’s portfolio will also improve, with the addition of two well-established and experienced third-party operators Social Welfare Research Institute Co., Ltd. and Benesse Style Care Co., Ltd.. The acquisitions will be fully funded by debt, and are expected to be DPU accretive.

Commenting on the acquisitions, Mr Victor Tan, Executive Director and Chief Executive Officer of the Manager said, “Japan is one of the key growth markets for First REIT. Our timely penetration and expansion into Kanagawa and Aichi prefectures, after establishing a strong foothold from our maiden

¹ Based on an illustrative exchange rate of S\$1.00 = JPY98

² The total purchase consideration represents a 3.37% discount to the aggregate independent valuations by Colliers International Japan KK as at 31 July 2022

³ Including First REIT’s acquisitions of 12 Japan nursing homes in March 2022

acquisition of 12 nursing homes across Japan early this year, will position First REIT for long term growth with stability.”

Mr Tan added, “These acquisitions are in line with one of our strategic pillars under First REIT 2.0 Growth Strategy to step up growth in developed markets to more than 50% of our portfolio, which the Trust is progressing steadily towards fulfilling this strategic goal. The enlarged asset base and portfolio diversification will also pave the way for sustainable distributions for unitholders of First REIT.”

High Quality Nursing Homes with Third-Party Operators

Ayase and Komaki are high-quality freehold nursing homes strategically located in Kanagawa Prefecture and Aichi Prefecture respectively, where more than one-quarter of their population are already aged 65 years and above⁴.



Ayase

Ayase, with a gross floor area (“GFA”) of 3,386.52 square metres, is a three-storey nursing home with 80 rooms. It is geographically situated between Tokyo and Yokohama and is an hour’s drive away from Tokyo City Centre.



Komaki

Komaki, with a GFA of 8,858.49 square metres, is a 10-storey nursing home building with a large open carpark space, comprising 124 rooms with 165 beds. It is within close proximity to parks and facilities such as hospitals and community centres, and is a half-hour drive away from Nagoya City Centre.

⁴ As at 1 October 2021. Source: [Statistics Bureau of Japan](#)

The Properties are operated by non-related third-party operators. Social Welfare Research Institute Co., Ltd., the operator of Ayase, is progressively building a track record across all types of nursing care homes since 2007. Benesse Style Care Co., Ltd., the operator for Komaki, is a leading nursing home operator in Japan with a well-established 19-year track record, and currently operates more than 340 eldercare facilities⁵.

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⁵ As of April 2022. Source: Tamura Planning and Operating

About First REIT

First Real Estate Investment Trust (“**First REIT**”) is a real estate investment trust constituted by the trust deed entered into on 19 October 2006 between First REIT Management Limited (formerly Bowsprit Capital Corporation Limited) as the Manager and HSBC Institutional Trust Services (Singapore) Limited as the trustee. First REIT was listed on Singapore Exchange Securities Trading Limited on 11 December 2006. On 1 March 2018, HSBC Institutional Trust Services (Singapore) Limited retired as the trustee of First REIT in favour of Perpetual (Asia) Limited.

First REIT is Singapore’s first healthcare real estate investment trust that aims to invest in a diversified portfolio of income-producing real estate and / or real estate-related assets in Asia that are primarily used for healthcare and / or healthcare-related purposes. Managed by First REIT Management Limited, First REIT has a portfolio of 31 properties with 12 hospitals, two integrated hospital & malls, one integrated hospital & hotel and one hotel & country club, located in Indonesia, three nursing homes in Singapore and 12 nursing homes in Japan.

Its hospital assets in Indonesia are operated by PT Siloam International Hospitals Tbk, a subsidiary of PT Lippo Karawaci Tbk, a strong brand name in the Indonesian healthcare industry supported by a team of international healthcare professionals whereas The Imperial Aryaduta Hotel & Country Club and Hotel Aryaduta Manado are operated by The Aryaduta Hotel and Resort Group. The Lippo Plaza Kupang and Lippo Plaza Buton are managed by PT Lippo Malls Indonesia. In Singapore, the nursing homes at Bukit Merah and Bukit Panjang are operated by Pacific Healthcare Nursing Home Pte. Ltd. and Pacific Eldercare and Nursing Pte. Ltd., respectively. The Lentor Residence is operated by The Lentor Residence Pte. Ltd. In Japan, seven nursing homes are operated by Hikari Heights Varus Co., Ltd., two nursing homes are operated by Safety Life Co., Ltd. and three nursing homes are operated by Orchard Care Co., Ltd..

Through First REIT, investors can participate in an asset class that has a focus towards Asia’s growing healthcare sector, which is boosted by an increase in life expectancy in Indonesia, Japan, Singapore and the rest of Southeast Asia.

For the latest news from First REIT, visit www.first-reit.com

IMPORTANT NOTICE

The value of units in First REIT (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, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of First 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.

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of First REIT is not necessarily indicative of the future performance of First REIT. This document may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s view of future events.