

Translation

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**Summary of Financial Results (REIT) for the Fiscal Period Ended
December 31, 2014**

February 25, 2015

| | | |
|---|--|---|
| Name of Issuer: | Invincible Investment Corporation | Stock Exchange Listing: Tokyo Stock Exchange |
| Securities Code: | 8963 | URL http://www.invincible-inv.co.jp/ |
| Representative: | Naoki Fukuda, Executive Director | |
| Name of Asset Manager: | Consonant Investment Management Co., Ltd. | |
| Representative: | Naoki Fukuda, President & CEO | |
| Contact: | Akiko Watanabe, Manager, Planning Department | TEL. +81-3-5411-2747 |
| Scheduled Date of Filing of Securities Report: | March 27, 2015 | Scheduled Date of Commencement for Distribution Payments: March 27, 2015 |
| Supplementary Materials for Financial Results: | Yes | |
| Presentation Meeting: | Yes (for analysts and investors) | |

(values are rounded down to the nearest million yen)

1. Financial Results for the Fiscal Period ended December 31, 2014 (from July 1, 2014 to December 31, 2014)

(1) Operating Results

(Percentages indicate percentage change from the preceding period)

| | Operating Revenues | | Operating Income | | Ordinary Income | | Net Income | |
|---------------------------------------|--------------------|------|------------------|------|-----------------|-------|-----------------|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Fiscal period ended December 31, 2014 | 4,610 | 22.1 | 2,769 | 24.0 | 1,958 | 117.0 | 1,958 | 117.1 |
| Fiscal period ended June 30, 2014 | 3,775 | 37.8 | 2,234 | 76.5 | 902 | 155.4 | 901 | 155.6 |

| | Net Income per Unit | Net Income/ Unitholders' Equity | Ordinary Income/ Total Assets | Ordinary Income/ Operating Revenues |
|---------------------------------------|---------------------|------------------------------------|----------------------------------|--|
| | yen | % | % | % |
| Fiscal period ended December 31, 2014 | 762 | 4.0 | 1.9 | 42.5 |
| Fiscal period ended June 30, 2014 | 573 | 2.5 | 1.1 | 23.9 |

(Note) "Net Income per Unit" is calculated based on the average number of investment units during the period and is rounded to the nearest yen. Net income per unit calculated based on the number of investment units issued and outstanding at the end of the fiscal period ended December 31, 2014 and rounded down to yen. is JPY 733.

(2) Distributions

| | Distribution per Unit (Excluding excess profit distribution per unit) | Distribution Amount (Excluding excess profit distribution per unit) | Excess Profit Distribution per Unit | Excess Profit Distribution Amount | Dividend Payout Ratio | Distribution/Net Assets |
|---------------------------------------|---|---|-------------------------------------|-----------------------------------|-----------------------|-------------------------|
| | yen | Millions of yen | yen | Millions of yen | % | % |
| Fiscal period ended December 31, 2014 | 733 | 1,956 | 0 | 0 | 99.9 | 3.2 |
| Fiscal period ended June 30, 2014 | 573 | 901 | 0 | 0 | 100.0 | 2.5 |

(Note) Dividend payout ratio is calculated by dividing "Distribution Amount" by "Net Income".

(3) Financial Position

| | Total Assets | Net Assets | Net Assets/Total Assets | Net Assets per Unit |
|---------------------------------------|-----------------|-----------------|-------------------------|---------------------|
| | Millions of yen | Millions of yen | % | yen |
| Fiscal period ended December 31, 2014 | 130,477 | 61,392 | 47.1 | 23,005 |
| Fiscal period ended June 30, 2014 | 79,261 | 36,373 | 45.9 | 23,121 |

(Note) "Net Assets per Unit" is calculated based on the number of investment units issued and outstanding at the end of each period, and is rounded to the nearest yen.

(4) Cash Flows

| | Cash Flows from Operating Activities | Cash Flows from Investment Activities | Cash Flows from Financing Activities | Closing Balance of Cash and Cash Equivalents |
|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|--|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Fiscal period ended December 31, 2014 | 1,209 | (40,119) | 48,551 | 13,165 |
| Fiscal period ended June 30, 2014 | 6,622 | (5,802) | (1,482) | 3,524 |

2. Forecast for the Fiscal Period ending June 30, 2015 (from January 1, 2015 to June 30, 2015) and the Fiscal Period ending December 31, 2015 (from July 1, 2015 to December 31, 2015)

(Percentages in brackets represent change from preceding period)

| | Operating Revenues | | Operating Income | | Ordinary Income | | Net Income | | Distribution per Unit (excluding excess profit distribution per unit) | Excess Profit Distribution per Unit |
|--|--------------------|-----|------------------|--------|-----------------|-------|-----------------|-------|---|-------------------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | yen | yen |
| Fiscal Period ending June 30, 2015 | 4,631 | 0.4 | 2,439 | (11.9) | 1,903 | (2.8) | 1,902 | (2.8) | 712 | 0 |
| Fiscal Period ending December 31, 2015 | 5,034 | 8.7 | 2,812 | 15.3 | 2,294 | 20.6 | 2,293 | 20.6 | 859 | 0 |

(Reference) Estimated net income per unit for the fiscal period ending June 30, 2015 is JPY 712 and Estimated net income per unit for the fiscal period ending December 31, 2015 is JPY 859.

3. Others

(1) Changes in Accounting Policies, Accounting Estimates or Restatements

- (a) Changes in Accounting Policies due to Revisions to Accounting Standards and Other Regulations None
- (b) Changes in Accounting Policies due to Other Reasons None
- (c) Changes in Accounting Estimates None
- (d) Restatements None

(2) Number of Investment Units Issued and Outstanding

- (a) Number of Units Issued and Outstanding as of the End of the Fiscal Period (Including Treasury Units)
- | | | | |
|-------------------|-----------|---------------|-----------|
| December 31, 2014 | 2,668,686 | June 30, 2014 | 1,573,179 |
|-------------------|-----------|---------------|-----------|
- (b) Number of Treasury Units as of the End of Fiscal Period
- | | | | |
|-------------------|---|---------------|---|
| December 31, 2014 | 0 | June 30, 2014 | 0 |
|-------------------|---|---------------|---|

The Implementation Status of Statutory Audit

At the time of this financial report, the audit procedures for the financial statements pursuant to the Financial Instruments and Exchange Act are yet to be completed.

Explanation on the Appropriate Use of the Forecast of Results and Other Matters of Special Consideration

(Explanation on the Appropriate Use of the Forecast of Results)

The forward-looking statements in this financial report are based on the information currently available to us and certain assumptions which we believe are reasonable. Actual operating performance may differ significantly due to factors we cannot predict as of this date, including gains or losses from the disposition of properties, repayment of borrowings, decreases in rents and changes in operating conditions. Further, there is no guarantee of the payment of the forecast distribution amount.

Please refer to “Assumptions for the Forecasts for the Fiscal Period ending June 30, 2015 (from January 1, 2015 to June 30, 2015) and the Fiscal Period ending December 31, 2015 (from July 1, 2015 to December 31, 2015)”, on page 14 for assumptions used in the forecasts and precautions regarding the use of such forecasts.

1. Related Companies of the Investment Corporation

Disclosure is omitted because there have been no material changes in the “Structure of the Investment Corporation” section of the latest securities report (filed on September 26, 2014).

2. Management Policy and Operating Conditions

(1) Management Policy

Disclosure of “Investment Policies” and the “Investment Targets” is omitted because there have been no material changes from the relevant sections of the latest securities report (filed on September 26, 2014)

Further, INV decided to partially amend its Articles of Incorporation at the general unitholders’ meeting held on November 28, 2014 and changed its “Distribution Policy”. In accordance with this, Consonant Investment Management Co., Ltd., the asset manager to which INV entrusts the management of its assets (the “Asset Manager”), decided to partially change the Distribution Policy in its Investment Guidelines.

(2) Operating Conditions

a Overview of the Reporting Period

(a) Main Trends in the Investment Corporation

INV was established in January 2002 in accordance with the Investment Trust and Investment Corporation Act (Act No. 198 of 1951, as amended; hereinafter referred to as the “Investment Trust Act”). In May 2004, INV was listed on the Osaka Securities Exchange (application for delisting was made in August 2007), and in August 2006 was listed on the Real Estate Investment and Trust Securities Section of the Tokyo Stock Exchange (Ticker Code: 8963).

In addition, a merger with LCP Investment Corporation (“LCP”) was implemented on February 1, 2010.

Ever since the commencement of sponsorship from Calliope Godo Kaisha (“Calliope”), an affiliate of Fortress Investment Group LLC (“FIG” and together with Calliope and other affiliates of FIG, the “Fortress Group”) in July 2011, INV has been focused on the improvement of its properties’ occupancy rates, the reduction of expenditures and strengthening its asset management capabilities. Furthermore, in September 2012, INV newly acquired 24 residential properties without issuing new equity thereby improving earnings and distributions per unit through external growth.

Moreover, in December 2013, INV refinanced existing bank borrowings with new borrowings arranged by Sumitomo Mitsui Banking Corporation (“SMBC”) and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (“BTMU”) together with funds raised via third-party allotment mainly to the Fortress Group. This marked the first lending to INV from Japanese mega-banks since the new sponsorship and strengthened its lender formation, established a strong financial base for future growth and significantly reduced interest expenses.

In May 2014 (during the fiscal period ended June 30, 2014 (previous fiscal period)) and in July 2014 (during the fiscal period ended December 31, 2014 (reporting period)), INV implemented the following series of transactions (the “Transactions”) to reposition the portfolio in order to focus on an asset class with expanding market share in the hospitality market that complements the existing portfolio characterized by stable earnings.

<Outline of the Transactions>

| Date | Overview | |
|-----------|---|--|
| May 2014 | Acquisition and sale of properties | Acquisition of 2 limited service hotels and sale of 7 senior housing properties via new lending. |
| June 2014 | Revision of the Investment Guidelines | Added hotel assets to 'core asset' type. |
| July 2014 | Asset acquisition funded by Global Public Offering of new units | Acquisition of 18 limited service hotels by the funds procured through the global offering and new loan. |

Due to the asset expansion and the strong performance of the relevant 20 hotels, net income per unit increased substantially leading to an annual DPU for the period ended December 2014 of JPY 1,306, which increased from JPY 1,150 previously forecast on June 23, 2014. The total market value as of January 30, 2015 reached JPY 140,372 million, helping INV achieve its mid-term market capitalization target of JPY 100 billion (announced in February 2014) in less than a year.

As demonstrated by the strong income growth from its existing 20 hotel portfolio and market trends, INV acquired additional hotel properties taking into consideration the revenue potential of the properties. On February 6, 2015, INV acquired one hotel from a third-party and two from the Sponsor's pipeline MOU. The asset acquisition was completed using cash-on-hand and new loans, without issuing new equity(Note). As a result of the February 2015 acquisition, INV expects the annual net income per unit and DPU for 2015 to increase to JPY 1,571 compared to the previous forecast of JPY 1,422 announced on October 31, 2014.

INV continues to pro-actively manage the portfolio by acquiring assets that produce stable income and provide upside potential, while reducing costs such as interest-bearing debt expenses. The series of deliberate steps were implemented since the Sponsorship of the Fortress Group in order to increase unitholders' value.

(Note) Please refer to "c Significant subsequent events" below regarding the acquisition of the 3 hotels on February 6, 2015.

(b) Operational Environment and Performance

During the reporting period, although consumer spending slowed due to the consumption tax increase in April 2014, the Japanese economy showed continuous improvement on the back of strong corporate performance centered on large manufacturers. In December 2014, the unemployment rate dropped to 3.4% and the jobs-to-applicants ratio increased to 1.15 (the highest ratio in over 22 years and 9 months). In and after the fiscal period ending June 30, 2015, the economic upswing is expected to continue due to (i) the postponement of an additional increase in the consumption tax, (ii) the recovery in consumer spending on the back of the improved employment and salary environment, (iii) the impact of government's financial policy and the Bank of Japan's large scale monetary easing policy and (iv) the increase in corporate profits in connection with the decline in the price of crude oil.

Regarding the real estate investment market, real estate transaction prices continued to rise in Tokyo and other large cities as a result of Japan's economic recovery and expectations of deflation. According to the *Japanese Real Estate Investor Survey* (October 2014) conducted by the Japan Real Estate Institute, investors expect capitalization rates for offices, residences, retail facilities and hotels to decline. Investment demand is still high such that investors who

responded that they will make new investments over the next year rose by 2 points to 94% from the previous survey (April 2014).

Regarding the property rental market, the Tokyo office building vacancy rates continue to decline while rates are bottoming out in parts of other major cities. Large corporations are consolidating their floor space as well as expanding leasing space in the same buildings. Rents increased mainly for newly constructed buildings and premium properties.

With respect to the residential sector, market rent trends for small-type city-center properties are improving and the Asset Manager increased the rent from the previous fiscal period after a careful unit-by-unit analysis of the residential assets. As a result, INV realized a rent increase for 62.3% (versus 53.3% in the previous period) of the new residential lease agreements or a total rent increase of 2.1% compared to the previous rent (versus a 1.8% increase in the previous period). As part of the rent increase program, INV achieved a rent increase for 51.9% of contract renewals (versus 24.9% in the previous period); and a 1.8% increase compared to the previous rent (versus a 0.8% increase in the previous period). Net leasing costs (advertising expenses + free rent – key money), were reduced to an average of 1.18 months per new lease agreement, or a reduction of 0.33 months year-on-year, and a 0.02 month reduction compared to the budget.

The hotel sector has consistently performed well in large part due to the Japanese government's proactive stance to promote tourism initiatives such as airport capacity expansion, the entry of LCC's into the Japanese market, and the relaxation of visa requirements for some Asian countries. The number of international visitors to Japan from China and Southeast Asian countries such as Indonesia, the Philippines and Vietnam has increased significantly, helping Japan log a record high 13.4 million visitors in 2014, providing firm demand for accommodations. In addition to the above-mentioned favorable external factors and intensive revenue management actions from the hotel operators, INV's 20 hotel properties recorded strong performance led by an increase in sales to overseas guests whose share of total sales increased by 18.2 points, a 2.3 point increase in the occupancy rate (Note 2), a 14.9% increase in ADR (Note 3), and a 17.9% increase in RevPAR (Note 4), compared with the same period in the previous year.

As a result, INV's average occupancy rate across the entire portfolio increased to 96.1%, and NOI increased by 91.3% over the previous fiscal period to JPY 3,861 million.

At the end of the reporting period, the number of properties held by INV totaled 91, including 63 residential properties, 20 hotels, 7 office buildings and retail facilities as well as one parking lot at a total acquisition price of JPY 117,917 million and total leasable area of 224,574.36 m².

As a result of the above trends in real estate investment and the rental market, as well as the strong performance of the hotel properties, the total appraisal value was JPY 126,558 million, an increase of JPY 8,948 million (+7.6%) (Note 5). In particular, the appraisal value of the 20 hotel properties recorded a substantial increase of JPY 6,927 million (+15.1%) (Note 5) helping to enhance the portfolio asset value.

(Note 1) The performance of the same period in the previous year (from July 2013 to December 2013) is based on data provided by the seller of the 20 hotels before INV acquired the 20 hotels. Likewise, the performance of the period from July 1, 2014 to July 16, 2014 of the 18 hotels INV acquired on July 17, 2014 is based on data provided by the seller of those hotels.

(Note2) "Occupancy rates" are calculated in accordance with the following formula:

Occupancy rates = total number of occupied rooms during a certain period / (the total number of rooms available during the same period x total operating days during the same period)

(Note 3) “ADR” means average daily rate, and is calculated by dividing total room sales (except for service fee) for a certain period by the aggregate number of days per room for which each room was occupied during the same period.

(Note 4) “RevPar” means revenue per available room per day, and is calculated by dividing total room sales for a certain period by total number of rooms available (number of rooms x number of days) during the same period, and is the same as the figure obtained by multiplying occupancy rates by ADR.

(Note 5) For the 18 out of the 20 hotels, which were acquired as of July 17, 2014, the comparison was made with the appraisal value as of April 30, 2014. For the other two properties, the comparison was made with the value as of the previous fiscal period.

(c) Overview of Fund Raising

INV raised JPY 23,961 million through a Global Public Offering and third-party allotment in order to procure funds for the acquisition of 18 hotels (Global public offering, 1,040,000 new units in July 2014, paid-in JPY 22,747 million; third-party allotment, 55,507 new units in August 2014, paid-in JPY 1,214 million). INV simultaneously obtained New Syndicate Loan (C) in the amount of JPY 57,300 million in order to refinance the existing borrowings New Syndicate Loan (A) and New Syndicate Loan (B) through a syndicate arranged by SMBC, BTMU, and Mizuho Bank on July 17, 2014, which lowered interest-bearing debt costs to 1.09% (as of July 31, 2014) from 1.48% (as of June 30, 2014).

As a result of the above measures, the outstanding balance of interest-bearing debt for INV was JPY 67,260 million, and the Loan-to-Value ratio was 51.5 % (Note) as of the end of December 2014.

(Note) The calculation for the Loan-to-Value ratio uses the calculation formula below:

$$\text{Loan-to-Value ratio} = \text{amount of interest-bearing debt} \div \text{total amount of assets at end of period} \times 100$$

(d) Overview of Results of Operations and Distributions

Operating revenues for the reporting period increased by JPY 835 million from the previous period (+22.1%) to JPY 4,610 million, and net income for the reporting period increased by JPY 1,057 million from the previous period (+117.3%) to JPY 1,958 million.

Distribution per unit for the period ending December 2014 was JPY 733, an increase of JPY 133 (+22.2%) above the original forecast of JPY 600 as announced in the Summary of Financial Results on August 27, 2014. INV will distribute the entire amount of net income (excluding fractions less than one JPY per unit), without a reversal of the surplus utilizing negative goodwill from the Merger in February 2010.

b Outlook for the Fiscal Period Ending June 30, 2015

(a) Future operational policy and issues to be addressed

(i) External growth strategy

New Property Acquisitions

INV believes the strengthening of the financial base through reduction of borrowing costs, a significant improvement in the debt service coverage ratio, and further strengthening of the lender formation enhances both debt and equity fund raising capacity, thus greatly improving the external growth capability.

Although the acquisition of properties in the housing and the hotel sectors, which comprise INV’s core assets, is

highly competitive, Fortress Group, INV’s sponsor, has established a strong track record of large-scale real estate investments in Japan providing a substantial pipeline of assets for INV. INV entered into a memorandum of understanding on June 23, 2014, giving INV preferential negotiating rights (Note 2) in respect to the acquisition of 22 limited service hotels (as described below) out of the pipeline assets held by the Fortress Group, in order to ensure further future growth.

By utilizing such pipeline support from the sponsor and the property sale information from the Asset Manager’s independent network, INV plans to continue acquiring properties that contribute to stable profit and cash flow growth leading to an increase in the distribution per unit.

As described in “c Significant subsequent events” below, on February 6, 2015, INV acquired 3 hotels, of which 2 hotels, “Hotel Nets Hakodate” and “Flexstay Inn Shirogane” were properties listed in the memorandum of understanding.

| Property Name | Location | Number of Guest Rooms |
|--|---|-----------------------|
| Hotel Mystays Akasaka (Note 1) | 2-17-54 Akasaka, Minato-ku, Tokyo | 319 |
| Hotel Mystays Kameido P1 | 6-32-1 Kameido, Koto-ku, Tokyo | 265 |
| Hotel Mystays Kanazawa | 2-13-5 Hirooka, Kanazawa, Ishikawa | 244 |
| Hotel Mystays Kameido P2 | 6-7-8 Kameido, Koto-ku, Tokyo | 175 |
| Hotel Mystays Haneda | 5-1-13 Haneda, Ota-ku, Tokyo | 174 |
| Hotel Mystays Yokohama Kannai (tentative name) (Note 1) | 5-65 Onoecho, Naka-ku, Yokohama, Kanagawa | 166 |
| Hotel Mystays Utsunomiya | 2-4-1 Higashishukugo, Utsunomiya, Tochigi | 116 |
| Hotel Mystays Ueno Iriyaguchi | 5-5-13 Higashiueno, Taito-ku, Tokyo | 97 |
| Flexstay Inn Ekoda | 8-6 Sakaecho, Nerima-ku, Tokyo | 210 |
| Flexstay Inn Higashi-Jujoh | 8-6 Sakaecho, Nerima-ku, Tokyo | 88 |
| <u>Flexstay Inn Shirogane</u> | <u>5-10-15 Shirogane, Minato-ku, Tokyo</u> | <u>84</u> |
| Flexstay Inn Kawasakikaizuka | 1-13-2 Kaizuka, Kawasaki-ku, Kawasaki, Kanagawa | 64 |
| Flexstay Inn Kawasakigowacho | 15-9 Ogawacho, Kawasaki-ku, Kawasaki, Kanagawa | 62 |
| Flexstay Inn Shinsaibashi | 1-9-30 Nishishinsaibashi, Chuo-ku, Osaka, Osaka | 54 |
| Toko Hotel | 2-6-8 Nishigotanda, Shinagawa-ku, Tokyo | 338 |
| Best Western Hotel Fino Sapporo | 4-15 Kita8jo-Nishi, Kita-ku, Sapporo, Hokkaido | 242 |
| <u>Hotel Nets Hakodate</u> | <u>26-17 Honcho, Hakodate, Hokkaido</u> | <u>202</u> |
| Takamatsu Tokyu Inn | 9-9 Hyogomachi, Takamatsu, Kagawa | 191 |
| Hotel Vista Shimizu | 1-23 Masagocho, Shimizu-ku, Shizuoka, Shizuoka | 152 |
| Comfort Hotel Toyama Ekimae | 1-3-2 Takaramachi, Toyama, Toyama | 150 |
| Best Western Hotel Fino Oita | 1-32 Niagemachi, Oita, Oita | 145 |
| Super Hotel Shinbashi Karasumoriguchi | 5-16-4 Shinbashi, Minato-ku, Tokyo | 74 |
| Total | | 3,612 |
| (2 hotels acquired out of the properties listed above.) | | (286) |
| 20 properties left after the acquisition of 2 properties | | 3,326 |

(Note 1) “Hotel Mystays Akasaka” is under reconstruction, and “Hotel Mystays Yokohama Kannai (tentative name) is under construction.

(Note 2) INV has preferential negotiating rights for one year after the execution date of the memorandum of understanding (June 23, 2014) with sponsor related entities. For the 20 properties other than 2 properties already acquired, there are no specific plans to acquire, and INV cannot guarantee that INV will acquire any

of these properties

Property Sales

While INV places priority on increasing unitholders' value through external growth, taking into account the increased level of activity in the real estate trading market, it also plans to consider the possibility of property sale taking into consideration the portfolio sector composition, geographic distribution and competitiveness of each property, as appropriate.

(ii) Strategy for internal growth

INV will continue to strengthen its collaborative ties with Property Management (PM) companies and brokers to further boost occupancy rates and earning capabilities of its properties.

With respect to INV's residential properties, INV will focus on increasing rent for new lease contracts as well as for lease renewals while reducing net leasing costs for new lease contracts in conjunction with the peak residential leasing season that occurs during the June 2015 period in order to maximize profits.

With respect to the hotel properties, INV intends to increase rent revenue through detailed analysis and understanding of each hotel based on market trends and close communication with the hotel operators, and by continuous strategic initiatives to further enhance revenue management. The implementation of appropriate maintenance and repair plans is of the utmost importance in maintaining and enhancing the competitiveness and market value of the properties as well as ensuring stable operations and high tenant satisfaction. Therefore, INV will continue to monitor current strategic plans with flexible implementation as it sees fit.

(iii) Financial strategy

Following the strengthening of the financial base via the refinancing implemented during the reporting period and the new borrowing implemented in February 2015, INV will promote a financial strategy which envisages to switch to unsecured borrowings in the future, to obtain a credit rating and to issue investment corporate bonds. Also, INV seeks to strengthen its earnings base by way of lengthening and diversification of borrowing terms, further reduction of borrowing costs, adjustment of appropriate fixed/variable interest rate ratio taking into consideration the interest rate trends, strengthening of its lender formation and improving fund raising capacity, in order to maximize unitholders' value and increase distributions per unit.

(iv) Compliance risk management

While the executive officer of INV concurrently serves as the representative director at the Asset Manager, two supervisory directors (an attorney and a certified public account) oversee the execution of the executive officer's duties via the Board of Directors of INV. In addition, the compliance officer of the Asset Manager attends each meeting of the Board of Directors in the capacity of an observer.

The Asset Manager has a compliance officer who is responsible for compliance with laws, regulations and other relevant matters as well as overall management of transactions with sponsor related parties. Moreover, it has in place a compliance committee which, chaired by such compliance officer, is in charge of deliberating on compliance with laws, regulations and other relevant matters as well as transactions with sponsor related parties. Compliance committee meetings are attended by an outside expert (an attorney) who, sitting in as a compliance committee member, conducts rigorous deliberations on the existence of conflicts of interest in transactions with sponsor related parties as well as strict examinations with respect to INV's compliance with laws and regulations.

INV intends to continually take steps to strengthen its compliance structure.

c Significant subsequent events

INV acquired 3 high-quality limited service hotels (total acquisition price JPY 13,261 million) with stable revenue and growth potential, using its surplus of cash-on-hand and a new loan (JPY 6,241 million) without issuing new investment units in the fiscal period ending June 30, 2015 (24th fiscal period).

As a result, the total number of properties held by INV after the acquisition increased to 94 properties (of which 63 residential properties, 23 hotels properties and 8 other properties) with a total acquisition price of JPY 131,188 million (of which, JPY 58,083 million for residential properties, JPY 58,634 million for hotel properties and JPY 14,470 million for other properties).

(a) Acquisition of Assets

INV acquired the 3 limited service hotels (trust Beneficial Interests in Domestic Real Estates) (total acquisition price of JPY 13,261 million) on February 6, 2015 as follows.

| Use | Property Number | Property Name | Location | Acquisition Price (JPY million) (Note 1) | Appraisal Value at Acquisition (JPY million) (Note 2) | Seller | Category of Specified Assets |
|-------|-----------------|------------------------------|-------------------------------|--|---|-------------------------------------|---------------------------------|
| Hotel | D21 | APA Hotel Yokohama Kannai | Yokohama, Kanagawa | 8,350 | 8,500 | AYK Tokutei Mokuteki Kaisha | Trust Beneficial Interest |
| | D22 | Hotel Nets Hakodate | Hakodate City, Hokkaido | 2,792 | 2,820 | Zephyrus Tokutei Mokuteki Kaisha | Trust Beneficial Interest |
| | D23 | Flexstay Inn Shirogane | Minato-ku, Tokyo | 2,119 | 2,140 | Nishi Tokutei Mokuteki Kaisha | Trust Beneficial Interest |
| Total | | | | 13,261 | 13,460 | | |

(Note 1) Acquisition prices do not include adjustments for property taxes or city planning taxes, or national or local consumption taxes.

(Note 2) Appraisal value at Acquisition is the appraisal value as of December 1, 2014 based on the appraisal report from Japan Real Estate Institute.

(b) Financing

INV obtained new debt financing (hereinafter the “Financing”) in order to procure funds for the acquisition of 3 hotel properties (trust beneficiary interests in domestic real estate), which were acquired on February 6, 2015 as follows.

| Lender | Borrowing Date | Borrowing Amount | Interest Rate (annual) | Principal Maturity Date | Borrowing Method |
|---|------------------|-------------------|--|-------------------------|--------------------------------------|
| Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Bank, Ltd. Citibank Japan Ltd. Shinsei Bank, Limited Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited | February 6, 2015 | JPY 6,241 million | 0.93000% Variable interest rate (Note 1) | February 6, 2018 | Secured (Note 2) / with no guarantee |

(Note 1) Interest rate applicable for the period from February 6, 2015 to February 26, 2015.
One-month JPY TIBOR + spread (0.8%); however, two-month JPY TIBOR + spread (0.8%) for the first interest calculation period only

(Note 2) First priority pledges over the real estate trust beneficiary interests for 3 properties: APA Hotel Yokohama-Kannai, Hotel Nets Hakodate, Flexstay Inn Shirogane, and 65 properties: Nisshin Palacestage Daitabashi, Nisshin Palacestage Higashi-Nagasaki, Growth Maison Gotanda, Growth Maison Kameido, Emerald House, Harmonie Ochanomizu, Suncrest Shakujii Koen, Growth Maison Shin-Yokohama, Belle Face Ueno Okachimachi, Grand Rire Kameido, Growth Maison Ikebukuro, Growth Maison Yoga, Route Tachikawa, Shibuya Honmachi Mansion, City Heights Kinuta, Acseeds Tower Kawaguchi Namiki, Capital Heights Kagurazaka, College Square Machida, Belair Meguro, Wacore Tsunashima I, Foros Nakamurabashi, Growth Maison Kaijin, College Square Machiya, City House Tokyo Shinbashi, Winbell Kagurazaka, Nishiwaseda Crescent Mansion, Lexington Square Akebonobashi, Casa Eremitaggio, Towa City Coop Shinotsuka II, Bichsel Musashiseki, Lexel Mansion Ueno Matsugaya, Towa City Coop Sengencho, Royal Park Omachi, Lexington Square Haginomachi, Visconti Kakuozan, Lexington Square Daitabashi, Lexington Square Honjo Azumabashi, AMS TOWER Minami 6-Jo, Spacia Ebisu, Kindai Kagakusha Building, Lexington Plaza Nishigotanda, Cross Square NAKANO, Ohki Aoba Building, Lexington Plaza Hachiman, AEON TOWN Sukagawa, Hotel MyStays Kanda, Hotel MyStays Asakusa, Hotel MyStays Kyoto-Shijo, MyStays Shin Urayasu Conference Center, Hotel MyStays Maihama, Hotel Vista Premio Dojima, Hotel MyStays Nagoya-Sakae, Hotel MyStays Sakaisuji-Honmachi, Hotel MyStays Yokohama, Hotel MyStays Nippori, Hotel MyStays Fukuoka-Tenjin-Minami, Flexstay Inn Iidabashi, Hotel MyStays Ueno Inaricho, Flexstay Inn Shinagawa, Flexstay Inn Tokiwadai, Flexstay Inn Sugamo, Hotel MyStays Otemae, Flexstay Inn Kiyosumi Shirakawa, Flexstay Inn Nakanobu P1 and Flexstay Inn Nakanobu P2. First priority mortgages over 2 real estate properties: Shinjuku Island and Times Kanda-Sudacho 4th.

d Operational Outlook

The following forecast is made for the fiscal period ending June 30, 2015 and the fiscal period ending December 31, 2015.

The Fiscal Period ending June 30, 2015(from January 1, 2015 to June 30, 2015)

| | |
|---|-------------------|
| Operating Revenues | JPY 4,631 million |
| Operating Income | JPY 2,439 million |
| Ordinary Income | JPY 1,903 million |
| Net Income | JPY 1,902 million |
| Earnings per Unit | JPY 712 |
| Reversal of Surplus per Unit | JPY 0 |
| Distribution per Unit (Excluding excess profit distribution per unit) | JPY 712 |
| Excess Profit Distribution per Unit | JPY 0 |

INV plans to distribute all of the net income except for a fractional portion in which Distribution Per Unit is less than JPY 1, using the proceeds from net income for the fiscal period ending June 30, 2015.

The fiscal period ending December 31, 2015 (from July 1, 2015 to December 31, 2015)

| | |
|---|-------------------|
| Operating Revenues | JPY 5,034 million |
| Operating Income | JPY 2,812 million |
| Ordinary Income | JPY 2,294 million |
| Net Income | JPY 2,293 million |
| Earnings per Unit | JPY 859 |
| Reversal of Surplus per Unit | JPY 0 |
| Distribution per Unit (Excluding excess profit distribution per unit) | JPY 859 |
| Excess Profit Distribution per Unit | JPY 0 |

INV plans to distribute all of the net income except for a fractional portion in which Distribution per Unit is less than JPY 1, using the proceeds from net income for the fiscal period ending December 31, 2015.

INV presents full year figures for financial results and distribution for information purpose only because rental revenues of hotel properties tend to fluctuate by season.

(Reference) 2015 Annual (total of the fiscal periods ending June 30, 2015 and December 31, 2015)

| | |
|---|-------------------|
| Operating Revenues | JPY 9,665 million |
| Operating Income | JPY 5,251 million |
| Ordinary Income | JPY 4,197 million |
| Net Income | JPY 4,196 million |
| Earnings per Unit | JPY 1,571 |
| Reversal of Surplus per Unit | JPY 0 |
| Distribution per Unit (Excluding excess profit distribution per unit) | JPY 1,571 |

For the assumptions underlying the operational outlook for the fiscal periods ending June 30, 2015 and ending December 31, 2015, please see “Assumptions for the Forecasts for the Fiscal Periods ending June 30, 2015 (from January 1, 2015 to June 30, 2015) and for the Fiscal Period ending December 31, 2015 (from July 1, 2015 to December 31, 2015)”.

(Cautionary Note regarding Forward Looking Statements)

Forward looking statements such as the forecasts set forth herein are based on information currently available and certain assumptions that are deemed reasonable. Actual operating performance may vary significantly due to factors not foreseen at the time of this present notice, such as the occurrence of gains and losses associated with the sale of properties, repayment of borrowings and a decrease in rent received. Also, this forecast is not a guarantee of distribution amounts.

Assumptions for the Forecasts for the Fiscal Period ending June 30, 2015 (from January 1, 2015 to June 30, 2015) and the Fiscal Period ending December 31, 2015 (from July 1, 2015 to December 31, 2015)

| Item | Assumptions | |
|------------------------------|---|---|
| Fiscal Period | Fiscal Period ending June 30, 2015: From January 1, 2015 to June 30, 2015 (181 days) Fiscal Period ending December 31, 2015: From July 1, 2015 to December 31, 2015 (184 days) | |
| Assets under Management | Number of properties held by INV as of the end of the fiscal period ending June 30, 2015: 94 properties Number of properties held by INV as of the end of the fiscal period ending December 31, 2015: 94 properties The assets under management are based on the 94 properties held by INV as of today. Also, INV assumes there will be no new acquisitions or disposals of existing properties thereafter through to the end of the fiscal period ending December 31, 2015. | |
| Units Outstanding | Number of units issued and outstanding as of the end of the fiscal period ending June 30, 2015: 2,668,686 units Number of units issued and outstanding as of the end of the fiscal period ending December 31, 2015: 2,668,686 units INV assumes there will be no additional issuance of investment units thereafter through to the end of the fiscal period ending December 31, 2015. | |
| Interest-bearing Liabilities | Balance of borrowing at the end of the fiscal period ending June 30, 2015: JPY 72,301 million Balance of borrowings as of the end of the fiscal period ending December 31, 2015: JPY 71,961 million INV assumes that: JPY 1,200 million of the existing borrowing, New Syndicate Loan (C), will be repaid as the borrowing corresponding to the return of consumption tax in the fiscal period ending June 2015; JPY 321 million of the new loan, New Syndicate Loan (D), will be repaid as the borrowing corresponds to the return of consumption tax in the fiscal period ending December 2015; and JPY 18 million of the Prudential LPS Loan B will be repaid in accordance with the contract. | |
| Operating Revenues | INV assumes the following rental revenues regarding the operating revenues for each of the applicable fiscal periods. | |
| | Fiscal Period ending June 30, 2015 | Fiscal Period ending December 31, 2015 |
| | Rental revenues | JPY 4,631 million |
| | (of these, hotel revenues) | JPY 5,034 million |
| | (of these, fixed rent master lease) | (JPY 2,410 million) |
| | (of these, variable rent lease) | (JPY 942 million) |
| | (JPY 1,050 million) | (JPY 1,067 million) |
| | (JPY 1,342 million) | (JPY 1,342 million) |
| | * Rental revenues are calculated based on historical data thus obtained and taking into account tenant trends, property competitiveness, the market environment and other factors. In | |

| Item | Assumptions | | |
|-------------------------------------|---|---|--|
| | addition, INV assumes there will be no delinquencies or non-payment of rent by tenants. | | |
| Operating Expenses | INV assumes it will incur the property-related expenses regarding the operating expenses for each of the applicable fiscal periods. | | |
| | | Fiscal Period ending June 30, 2015 | Fiscal Period ending December 31, 2015 |
| NOI | <ul style="list-style-type: none"> • Facility management fees (of these, repair costs) • Taxes and other public charges • Insurance expenses • Other expenses • Depreciation expenses Total of property related expenses | JPY 492 million (JPY 40 million) JPY 204 million JPY 7 million JPY 164 million JPY 1,005 million JPY 1,874 million | JPY 479 million (JPY 40 million) JPY 255 million JPY 7 million JPY 141 million JPY 1,025 million JPY 1,909 million |
| | For those other than these property-related expenses regarding the operating expenses, INV assumes it will incur the following amounts for each of the applicable fiscal periods. <ul style="list-style-type: none"> • Amount other than property related expenses (of these, asset management fees) | Fiscal Period ending June 30, 2015 JPY 317 million (JPY 180 million) | Fiscal Period ending December 31, 2015 JPY 312 million (JPY 180 million) |
| Non-operating Expenses | INV assumes it will incur the following non-operating expenses for each of the applicable fiscal periods. | | |
| | <ul style="list-style-type: none"> • Interest expenses • Finance related costs • Other non-operating expenses Total of non-operating expenses | Fiscal Period ending June 30, 2015 JPY 392 million JPY 144 million JPY - JPY 536 million | Fiscal Period ending December 31, 2015 JPY 398 million JPY 118 million JPY - JPY 517 million |
| Distribution per Unit | The distribution per unit is calculated in accordance with the cash distribution policy set forth in INV's articles of incorporation. | | |
| Excess Profit Distribution per Unit | INV currently does not expect to make distributions in excess of profits (excess profit distribution per unit). | | |
| Others | INV assumes there will be no amendments to laws and ordinances, the taxation system, accounting standards and other regulations that will affect the foregoing forecasts. In addition, INV assumes there will be no unforeseen material changes in the market environment, including general economic trends and real estate market conditions. | | |

3. Financial Statements

(1) Balance Sheets

(Unit: thousands of yen)

| | Fiscal Period ended June 30, 2014 (as of June 30, 2014) | Fiscal Period ended December 31, 2014 (as of December 31, 2014) |
|--|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | ※1 759,058 | ※1 9,153,872 |
| Cash and deposits in trust | ※1 2,765,504 | ※1 4,011,521 |
| Accrued revenue | 2,574 | 82 |
| Accounts receivables | 71,193 | 644,552 |
| Prepaid expenses | 120,941 | 233,324 |
| Consumption tax receivable | - | 1,319,253 |
| Advance payment | 17,138 | - |
| Others | 0 | 0 |
| Allowance for doubtful accounts | (1,391) | (1,968) |
| Total current assets | 3,735,018 | 15,360,637 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings | ※1 85,914 | ※1 85,914 |
| Accumulated depreciation | (7,783) | (8,324) |
| Buildings, net | 78,131 | 77,589 |
| Equipment | ※1 38,862 | ※1 38,862 |
| Accumulated depreciation | (17,352) | (18,548) |
| Equipment, net | 21,510 | 20,314 |
| Building improvements | ※1 2,779 | ※1 2,779 |
| Accumulated depreciation | (1,138) | (1,204) |
| Building improvements, net | 1,640 | 1,574 |
| Land | ※1 711,834 | ※1 711,834 |
| Buildings in trust | ※1 31,162,188 | ※1 45,227,883 |
| Accumulated depreciation | (2,623,404) | (3,136,903) |
| Buildings in trust, net | 28,538,783 | 42,090,979 |
| Equipment in trust | ※1 7,151,824 | ※1 10,400,867 |
| Accumulated depreciation | (1,891,879) | (2,186,062) |
| Equipment in trust, net | 5,259,944 | 8,214,804 |
| Building improvements in trust | ※1 321,317 | ※1 321,799 |
| Accumulated depreciation | (109,047) | (118,744) |
| Building improvements in trust, net | 212,270 | 203,054 |
| Tools, furniture and fixtures in trust | ※1 177,438 | ※1 268,476 |
| Accumulated depreciation | (85,898) | (103,974) |
| Tools, furniture and fixtures in trust, net | 91,540 | 164,502 |
| Land in trust | ※1 40,447,565 | ※1 63,258,940 |
| Total property, plant and equipment | 75,363,220 | 114,743,593 |
| Intangible assets | | |
| Others | 106 | 76 |
| Total intangible assets | 106 | 76 |
| Total investment and other assets | | |
| Guarantee deposits | 10,000 | 10,000 |
| Long-term prepaid expenses | 119,338 | 328,159 |
| Others | 34,070 | 34,765 |

| | (Unit: thousands of yen) | |
|------------------------------------|---|---|
| | Fiscal Period ended June 30, 2014 (as of June 30, 2014) | Fiscal Period ended December 31, 2014 (as of December 31, 2014) |
| Total investments and other assets | 163,409 | 372,924 |
| Total non-current assets | 75,526,736 | 115,116,594 |
| Total assets | 79,261,754 | 130,477,232 |

(Unit: thousands of yen)

| | Fiscal Period ended June 30, 2014 (as of June 30, 2014) | Fiscal Period ended December 31, 2014 (as of December 31, 2014) |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable | 143,439 | 141,428 |
| Short-term debts | ※1 13,488,750 | - |
| Current portion of long-term debts | ※1 17,552,100 | ※1 1,200,000 |
| Current portion of long-term debts in trust | - | ※118,167 |
| Accrued liabilities | 32,733 | 22,872 |
| Accrued expenses | 121,934 | 127,170 |
| Accrued income taxes | 520 | 578 |
| Accrued consumption taxes | 143,637 | - |
| Advances received | 357,522 | 371,084 |
| Deposits received | 32,927 | 23,896 |
| Total current liabilities | 31,873,567 | 1,905,197 |
| Non-current liabilities | | |
| Long-term debts | - | ※156,100,000 |
| Long-term debts in trust | ※1 9,960,000 | ※1 9,941,832 |
| Tenant leasehold and security deposits in trust | 1,025,726 | 1,109,146 |
| Tenant leasehold and security deposits | 28,663 | 28,663 |
| Total non-current liabilities | 11,014,390 | 67,179,642 |
| Total liabilities | 42,887,957 | 69,084,839 |
| Net assets | | |
| Unitholders' equity | | |
| Unitholders' capital | 29,134,389 | 53,096,413 |
| Surplus | | |
| Capital surplus | 6,264,432 | 6,264,432 |
| Unappropriated retained earnings/loss | 974,975 | 2,031,546 |
| Total surplus | 7,239,407 | 8,295,978 |
| Total unitholders' equity | 36,373,796 | 61,392,392 |
| Total net assets | ※2 36,373,796 | ※2 61,392,392 |
| Total liabilities and net assets | 79,261,754 | 130,477,232 |

(2) Statement of Income

(Unit: thousands of yen)

| | Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014) | Fiscal Period ended December 31, 2014 (from July 1, 2014 to December 31, 2014) |
|--|--|---|
| Operating revenues | | |
| Rental revenues | ※ ¹ 2,772,419 | ※ ¹ 4,610,717 |
| Gain on sales of properties | ※ ² 1,003,352 | - |
| Total operating revenues | 3,775,772 | 4,610,717 |
| Operating expenses | | |
| Property related expenses | ※ ¹ 1,281,791 | ※ ¹ 1,586,854 |
| Asset management fees | 125,000 | 125,000 |
| Directors' remuneration | 4,800 | 4,800 |
| Asset custodian fees | 3,906 | 3,976 |
| Administrative service fees | 18,224 | 26,672 |
| Provision of allowance for doubtful accounts | - | 1,527 |
| Other operating expenses | 107,404 | 91,966 |
| Total operating expenses | 1,541,127 | 1,840,796 |
| Operating income | 2,234,644 | 2,769,920 |
| Non-operating revenues | | |
| Interest revenues | 404 | 537 |
| Reversal of allowance for doubtful accounts | 475 | - |
| Miscellaneous income | 898 | 483 |
| Total non-operating revenues | 1,777 | 1,021 |
| Non-operating expenses | | |
| Interest expenses | 376,514 | 365,480 |
| Finance related costs | 842,043 | 294,738 |
| Investment unit issuance expenses | 115,438 | 152,101 |
| Miscellaneous losses | 5 | 14 |
| Total non-operating expenses | 1,334,001 | 812,334 |
| Ordinary income | 902,420 | 1,958,607 |
| Net income before taxes | 902,420 | 1,958,607 |
| Corporate tax, etc. | 605 | 605 |
| Total corporate tax, etc. | 605 | 605 |
| Net income | 901,815 | 1,958,002 |
| Retained earnings at the beginning of the period | 73,159 | 73,543 |
| Unappropriated retained earnings/Loss at the end of the period | 974,975 | 2,031,546 |

(3) Statement of Unitholders' Equity

Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014)

(Unit: thousands of yen)

| | Unitholders' Equity | | | | | Total Net Assets |
|--|----------------------|-----------------|---------------------------------------|---------------|---------------------------|------------------|
| | Unitholders' Capital | Surplus | | | Total Unitholders' Equity | |
| | | Capital Surplus | Unappropriated Retained Earnings/Loss | Total Surplus | | |
| Balance at the beginning of the period | 29,134,389 | 6,264,432 | 446,003 | 6,710,435 | 35,844,824 | 35,844,824 |
| Change during the period | | | | | | |
| Distributions from surplus | | | (372,843) | (372,843) | (372,843) | (372,843) |
| Net income | | | 901,815 | 901,815 | 901,815 | 901,815 |
| Total change during the period | - | - | 528,972 | 528,972 | 528,972 | 528,972 |
| Balance at the end of the period | 29,134,389 | 6,264,432 | 974,975 | 7,239,407 | 36,373,796 | 36,373,796 |

Fiscal Period ended December 31, 2014 (from July 1, 2014 to December 31, 2014)

(Unit: thousands of yen)

| | Unitholders' Equity | | | | | Total Net Assets |
|--|----------------------|-----------------|---------------------------------------|---------------|---------------------------|------------------|
| | Unitholders' Capital | Surplus | | | Total Unitholders' Equity | |
| | | Capital Surplus | Unappropriated Retained Earnings/Loss | Total Surplus | | |
| Balance at the beginning of the period | 29,134,389 | 6,264,432 | 974,975 | 7,239,407 | 36,373,796 | 36,373,796 |
| Change during the period | | | | | | |
| Issuance of new investment units | 23,962,024 | | | | 23,962,024 | 23,962,024 |
| Distributions from surplus | | | (901,431) | (901,431) | (901,431) | (901,431) |
| Net income | | | 1,958,002 | 1,958,002 | 1,958,002 | 1,958,002 |
| Total change during the period | 23,962,024 | - | 1,056,571 | 1,056,571 | 25,018,595 | 25,018,595 |
| Balance at the end of the period | 53,096,413 | 6,264,432 | 2,031,546 | 8,295,978 | 61,392,392 | 61,392,392 |

(4) Statement of Cash Distribution

| | Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014) | Fiscal Period ended December 31, 2014 (from July 1, 2014 to December 31, 2014) |
|---|---|---|
| I Unappropriated retained earnings | 974,975,488 yen | 2,031,546,537 yen |
| II Distribution amount (Distribution per unit) | 901,431,567 yen (573 yen) | 1,956,146,838 yen (733 yen) |
| III Retained earnings carried forward | 73,543,921 yen | 75,399,699 yen |
| Calculation method of distribution amount | In accordance with the distribution policy set forth in Article 17, Paragraph 1 of the Articles of Incorporation of INV, the distribution amount shall be the amount which does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act. However, in the event that any tax losses arise, or if no profits have been recorded for tax purposes due to tax losses carried forward, the distribution amount may be as reasonably determined by INV. Pursuant to this policy, INV determined the distribution amount to be 901,431,567 yen out of the net income of 901,815,748 yen. INV did not distribute any amounts in excess of profit, as set forth in Article 17, Paragraph 4 of the Articles of Incorporation. | In accordance with the distribution policy set forth in Article 17, Paragraph 1 of the Articles of Incorporation of INV, the distribution amount shall be the amount which does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act. However, in the event that any tax losses arise, or if no profits have been recorded for tax purposes due to tax losses carried forward, the distribution amount may be as reasonably determined by INV. Pursuant to this policy, INV determined the distribution amount to be 1,956,146,838 yen out of the net income of 1,958,002,616 yen. INV did not distribute any amounts in excess of profit, as set forth in Article 17, Paragraph 4 of the Articles of Incorporation. |

(5) Statement of Cash Flows

(Unit: thousands of yen)

| | Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014) | Fiscal Period ended December 31, 2014 (from July 1, 2014 to December 31, 2014) |
|--|--|---|
| Cash flows from operating activities | | |
| Net income before taxes | 902,420 | 1,958,607 |
| Depreciation expenses | 527,945 | 837,289 |
| Investment unit issuance expenses | 115,438 | 152,101 |
| Finance related costs | 842,043 | 294,738 |
| Amortization of tenant leasehold and security deposits in trust | (435) | (378) |
| Interest received | (404) | (537) |
| Interest paid | 376,514 | 365,480 |
| Increase (decrease) in allowance for doubtful accounts | (1,181) | 577 |
| Decrease (increase) in accounts receivable | (60,244) | (573,359) |
| Decrease (increase) in consumption tax receivable | 7,419 | (1,319,253) |
| Increase (decrease) in accrued consumption tax payable | 143,637 | (143,637) |
| Increase (decrease) in accounts payable | (87,869) | (673) |
| Increase (decrease) in accrued liabilities | (1,613) | (10,409) |
| Increase (decrease) in accrued expenses | 18,110 | 2,933 |
| Increase (decrease) in advances received | (28,364) | 13,561 |
| Increase (decrease) in deposits received | 10,909 | (9,776) |
| Decrease in property and equipment due to sale | 4,367,451 | - |
| Others | (6,762) | 5,533 |
| Subtotal | 7,125,015 | 1,572,798 |
| Proceeds of interest | 404 | 537 |
| Payment of interest | (502,533) | (363,177) |
| Payment of corporate taxes, etc. | (609) | (547) |
| Cash flows from operating activities | 6,622,276 | 1,209,610 |
| Cash flows from investing activities | | |
| Payment for acquisition of tangible assets in trust | (5,618,018) | (40,203,087) |
| Repayment of tenant leasehold and security deposits | (154,916) | - |
| Repayment of tenant leasehold and security deposits in trust | (93,087) | (47,787) |
| Proceeds of tenant leasehold and security deposits in trust | 81,527 | 131,585 |
| Others | (17,833) | (694) |
| Cash flows from investing activities | (5,802,328) | (40,119,985) |
| Cash flows from financing activities | | |
| Proceeds from short-term debt | 13,500,000 | - |
| Repayment of short-term debt | (11,250) | (13,488,750) |
| Proceeds from long-term debt | - | 57,300,000 |
| Repayment of long-term debt | (2,797,899) | (17,552,100) |
| Repayment of long-term debt in trust | (11,000,000) | - |
| Finance related costs | (732,126) | (618,099) |
| Payment of distributions | (342,802) | (900,512) |
| Proceeds from issuance of investment units | - | 23,962,024 |
| Payment of investment unit issuance expenses | (98,468) | (151,356) |
| Cash flows from financing activities | (1,482,546) | 48,551,206 |
| Increase (decrease) in cash and cash equivalents | (662,597) | 9,640,831 |
| Beginning balance of cash and cash equivalents | 4,187,160 | 3,524,562 |

| | (Unit: thousands of yen) | |
|--|--|---|
| | Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014) | Fiscal Period ended December 31, 2014 (from July 1, 2014 to December 31, 2014) |
| Closing balance of cash and cash equivalents | ※1 3,524,562 | ※1 13,165,393 |

(6) Notes Concerning Going Concerns Assumption

None

(7) Notes Concerning Significant Accounting Policies

1. Method of depreciation of non-current assets

(a) Property, plant and equipment

The straight-line method is used.

The useful lives of major property, plant and equipment are as follows.

| | |
|--|------------|
| Buildings | 77 years |
| Equipment | 8-24 years |
| Building improvements | 7-18 years |
| Buildings in trust | 2-66 years |
| Equipment in trust | 2-32 years |
| Building improvements in trust | 4-55 years |
| Tools, furniture and fixtures in trust | 2-15 years |

(b) Intangible assets

The straight-line method is used.

(c) Long-term prepaid expenses

The straight-line method is used.

2. Method of calculating allowances

Allowance for doubtful accounts

To reserve for losses on doubtful accounts, allowances are provided for normal receivables using a rate determined based on past bad debt experiences, and specific allowances are provided for accounts with a possibility of default based on the estimated amounts considered to be uncollectible by considering the collectability of accounts on an individual basis.

3. Revenue and expense recognition

Accounting treatment of property taxes and other taxes

With respect to property taxes, city planning taxes and depreciable asset taxes, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as property related expenses.

Of the amounts paid to the seller for acquisitions of real estate, the amount equivalent to property taxes is capitalized as part of the acquisition cost of the real estate or trust beneficiary interests in real estate instead of being charged as expense. The amount equivalent to property taxes that was included as part of the acquisition of real estate during this fiscal period is JPY 76,921 thousand.

4. Cash and cash equivalents as stated in Statement of Cash Flows

Cash and cash equivalents as stated in the Statement of Cash Flows consist of cash on hand and cash in trust, floating deposits, deposits in trust and short-term investments that are very liquid and realizable with a maturity of three months or less when purchased and that are subject to insignificant risks of changes in value.

5. Other significant matters which constitute the basis for preparation of financial statements

(i) Accounting treatment of trust beneficiary interests in real estate

As to trust beneficiary interests in real estate, all accounts of assets and liabilities within assets in trust, as well as all income generated and expenses incurred from assets in trust, are recorded in the relevant balance sheets and income statement accounts. Of such items, the following significant trust assets and liabilities are shown separately on the balance sheet.

- (a) Cash and deposits in trust
- (b) Buildings in trust
 - Equipment in trust
 - Building improvements in trust
 - Tools, furniture and fixtures in trust
 - Land in trust
- (c) Tenant leasehold and security deposits in trust
- (d) Current portion of long-term debts in trust
 - Long-term debts in trust

(ii) Accounting treatment of deferred charges

Investment unit issuance expenses
The full amount is recorded as expense at the time of expenditure.

(iii) Accounting treatment of consumption taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

(8) Notes to the Financial Statements

(Notes to the Balance Sheets)

※1. Assets pledged as collateral and liabilities with collateral

Assets pledged as collateral are as follows.

| | (Unit: thousands of yen) | |
|--|---|---|
| | Fiscal Period ended June 30, 2014 (as of June 30, 2014) | Fiscal Period ended December 31, 2014 (as of December 31, 2014) |
| Cash and deposits | 153,187 | 4,262,187 |
| Cash and deposits in trust | 2,765,504 | 4,011,521 |
| Buildings | 78,131 | 77,589 |
| Equipment | 21,510 | 20,314 |
| Building improvements | 1,640 | 1,574 |
| Land | 711,834 | 711,834 |
| Buildings in trust | 28,538,783 | 42,090,979 |
| Equipment in trust | 5,259,944 | 8,214,804 |
| Building improvements in trust | 212,270 | 203,054 |
| Tools, furniture and fixtures in trust | 91,540 | 164,502 |
| Land in trust | 40,447,565 | 63,258,940 |
| Total | 78,281,912 | 123,017,302 |

Liabilities with collateral are as follows.

| | (Unit: thousands of yen) | |
|--|---|---|
| | Fiscal Period ended June 30, 2014 (as of June 30, 2014) | Fiscal Period ended December 31, 2014 (as of December 31, 2014) |

| | | |
|---|------------|------------|
| Short-term debts | 13,488,750 | - |
| Current portion of long-term debts | 17,552,100 | 1,200,000 |
| Current portion of long-term debts in trust | - | 18,167 |
| Long-term debts | - | 56,100,000 |
| Long-term debts in trust | 9,960,000 | 9,941,832 |
| Total | 41,000,850 | 67,260,000 |

※2. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

(Unit: thousands of yen)

| Fiscal Period ended June 30, 2014 (as of June 30, 2014) | Fiscal Period ended December 31, 2014 (as of December 31, 2014) |
|---|---|
| 50,000 | 50,000 |

(Notes to Statement of Income)

※1. Rental revenues and property related expenses

(Unit: thousands of yen)

| | Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014) | Fiscal Period ended December 31, 2014 (from July 1, 2014 to December 31, 2014) |
|--|--|---|
| A. Real property rental revenues | | |
| Rent/common area charges | 2,555,746 | 4,408,874 |
| Other revenues | 216,673 | 201,843 |
| Total | 2,772,419 | 4,610,717 |
| B. Real property related expenses | | |
| Maintenance costs | 446,688 | 460,196 |
| Taxes and public dues | 174,451 | 163,789 |
| Insurance expenses | 4,952 | 6,084 |
| Other expenses | 127,784 | 119,524 |
| Depreciation expenses | 527,914 | 837,259 |
| Total | 1,281,791 | 1,586,854 |
| C. Operating income from rental revenues (A-B) | 1,490,627 | 3,023,863 |

※2. Gain on sales of properties

Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014)

(Unit: thousands of yen)

| | Bon Sejour Chitose Funabashi | Bon Sejour Yotsugi | Bon Sejour Hino | Bon Sejour Musashi Shinjo |
|--|---------------------------------|--------------------|-----------------|------------------------------|
| Proceeds from sales of properties | 832,153 | 777,256 | 730,459 | 587,138 |
| Cost of sales of properties | 657,193 | 622,386 | 551,565 | 468,167 |
| Other expenses on sales of properties | 6,623 | 5,450 | 5,414 | 4,363 |
| Gain on sales of properties | 168,337 | 149,419 | 173,480 | 114,607 |

| | Bon Sejour Komaki | Bon Sejour Hadano Shibusawa | Bon Sejour Itami |
|--|-------------------|--------------------------------|------------------|
| Proceeds from sales of properties | 1,280,824 | 735,268 | 472,718 |
| Cost of sales of properties | 984,869 | 633,486 | 449,783 |
| Other expenses on sales of properties | 12,563 | 6,243 | 4,357 |
| Gain on sales of properties | 283,391 | 95,539 | 18,577 |

Fiscal Period ended December 31, 2014 (from July 1, 2014 to December 31, 2014)

None

(Notes to Statement of Unitholders' Equity)

Number of investment units authorized and number of investment units issued and outstanding

| | Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014) | Fiscal Period ended December 31, 2014 (from July 1, 2014 to June 30 December 31, 2014) |
|---|--|---|
| Number of investment units authorized | 10,000,000 units | 10,000,000 units |
| Number of investment units issued and outstanding | 1,573,179 units | 2,668,686 units |

(Notes to Statement of Cash Flow)

※1. Relationship between cash and cash equivalents in statement of cash flows and amounts in accompanying balance sheet
(Unit: thousands of yen)

| | Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014) | Fiscal Period ended December 31, 2014 (from July 1, 2014 to December 31, 2014) |
|----------------------------|--|---|
| Cash and deposits | 759,058 | 9,153,872 |
| Cash and deposits in trust | 2,765,504 | 4,011,521 |
| Cash and cash equivalents | 3,524,562 | 13,165,393 |

(Notes Related to Lease Contracts)

Operating lease transactions (as lessee)

Remaining lease payments

| | (Unit: thousands of yen) | |
|---------------------|---|---|
| | Fiscal Period ended June 30, 2014 (as of June 30, 2014) | Fiscal Period ended December 31, 2014 (as of December 31, 2014) |
| Due within one year | 112,249 | 112,249 |
| Due after one year | 2,280,288 | 2,224,164 |
| Total | 2,392,537 | 2,336,413 |

Operating lease transactions (as lessor)

Remaining lease payments

| | (Unit: thousands of yen) | |
|---------------------|---|---|
| | Fiscal Period ended June 30, 2014 (as of June 30, 2014) | Fiscal Period ended December 31, 2014 (as of December 31, 2014) |
| Due within one year | 507,089 | 1,843,409 |
| Due after one year | 4,342,958 | 15,485,197 |
| Total | 4,850,048 | 17,328,607 |

(Notes Related to Financial Instruments)

1. Status of financial instruments

(1) Policy for financial instruments

INV principally conducts its operations through investments in real estate and other specified assets to seek to ensure stable income in the medium to long term.

The policy for raising funds is principally through issuing new investment units or entering into debt.

Derivative transactions are to be entered into for the purpose of hedging against the rate of future interest rate increases, etc. and not for speculation. There are currently no derivative transactions that have been entered into.

Surplus funds are managed carefully after carefully taking into account safety, liquidity, the interest rate environment and financing.

(2) Nature and extent of risks arising from financial instruments and risk management

The funds raised through borrowings are mainly used to acquire real estate properties or properties in trust (including related acquisition costs) and for the repayment of existing debt. Liquidity risks relating to debt are managed by the finance department of the Asset Manager by preparing and updating plans for funds, and monitoring the covenants set forth in loan agreements.

(3) Supplemental information regarding market value, etc. for financial instruments

The fair value of financial instruments is based on quoted market prices if available. When quoted market prices are not available, fair value is estimated using valuation techniques which contain various assumptions. If other valuation models or assumptions were used, the estimated value may differ.

2. Estimated fair value of financial instruments

Book value, fair value and the difference between values as of June 30, 2014 are as follows.

(Unit: thousands of yen)

| | Book Value | Fair Value | Difference |
|---|------------|------------|------------|
| (1) Cash and deposits | 759,058 | 759,058 | - |
| (2) Cash and deposits in trust | 2,765,504 | 2,765,504 | - |
| Total assets | 3,524,562 | 3,524,562 | - |
| (3) Short-term debts | 13,488,750 | 13,488,750 | - |
| (4) Current portion of long-term debts | 17,552,100 | 17,552,100 | - |
| (5) Long-term debts | - | - | - |
| (6) Current portion of long-term debts in trust | - | - | - |
| (7) Long-term debts in trust | 9,960,000 | 10,122,527 | 162,527 |
| Total liabilities | 41,000,850 | 41,163,378 | 162,527 |

Book value, fair value and the difference between values as of December 31, 2014 are as follows.

(Unit: thousands of yen)

| | Book Value | Fair Value | Difference |
|---|------------|------------|------------|
| (1) Cash and deposits | 9,153,872 | 9,153,872 | - |
| (2) Cash and deposits in trust | 4,011,521 | 4,011,521 | - |
| Total assets | 13,165,393 | 13,165,393 | - |
| (3) Short-term debts | - | - | - |
| (4) Current portion of long-term debts | 1,200,000 | 1,200,000 | - |
| (5) Long-term debts | 56,100,000 | 56,100,000 | - |
| (6) Current portion of long-term debts in trust | 18,167 | 18,251 | 84 |
| (7) Long-term debts in trust | 9,941,832 | 10,156,234 | 214,401 |
| Total liabilities | 67,260,000 | 67,474,486 | 214,486 |

(Note 1) Methods to calculate fair values of financial instruments

(1) Cash and deposits (2) Cash and deposits in trust (3) Short-term debts

Due to the short maturities, the book value of these instruments is deemed a reasonable approximation of the fair value, and therefore, the book value is used as the fair value.

(4) Current portion of long-term debts (5) Long-term debts (6) Current portion of long-term debts in trust (7) Long-term debts in trust

The fair values of long-term debt with fixed interest rates are determined based on the present value of contractual cash flows discounted at current market interest rates which would be applicable to new debt with the same amount.

Long-term debt with floating interest rates reflecting changes in market rates within a short term period are stated at their book value as their book values approximate their fair values.

(Note 2) Financial instruments for which fair value is extremely difficult to value

(Unit: thousands of yen)

| | Fiscal Period ended June 30, 2014 (as of June 30, 2014) | Fiscal Period ended December 31, 2014 (as of December 31, 2014) |
|---|---|---|
| Tenant leasehold and security deposits | 28,663 | 28,663 |
| Tenant leasehold and security deposits in trust | 1,025,726 | 1,109,146 |

Tenant leasehold and security deposits and tenant leasehold and security deposits in trust have no observable market

price, and it is impracticable to reasonably estimate their future cash flows because it because the repayment dates of those deposits and the timing of the lessee's exit from the property are not certain. Thus, their fair value is not disclosed.

(Note 3) Remaining schedule of monetary claims after the closing date of the fiscal period

As of June 30, 2014

(Unit: thousands of yen)

| | Due within One Year | Due after One to Two Years | Due after Two to Three Years | Due after Three to Four Years | Due after Four to Five Years | Due after Five Years |
|----------------------------|---------------------|----------------------------|------------------------------|-------------------------------|------------------------------|----------------------|
| Cash and deposits | 759,058 | - | - | - | - | - |
| Cash and deposits in trust | 2,765,504 | - | - | - | - | - |
| Total | 3,524,562 | - | - | - | - | - |

As of December 31, 2014

(Unit: thousands of yen)

| | Due within One Year | Due after One to Two Years | Due after Two to Three Years | Due after Three to Four Years | Due after Four to Five Years | Due after Five Years |
|----------------------------|---------------------|----------------------------|------------------------------|-------------------------------|------------------------------|----------------------|
| Cash and deposits | 9,153,872 | - | - | - | - | - |
| Cash and deposits in trust | 4,011,521 | - | - | - | - | - |
| Total | 13,165,393 | - | - | - | - | - |

(Note 4) Redemption schedule of long-term debts and other interest-bearing indebtedness after the closing date of the fiscal period

As of June 30, 2014

(Unit: thousands of yen)

| | Due within One Year | Due after One to Two Years | Due after Two to Three Years | Due after Three to Four Years | Due after Four to Five Years | Due after Five Years |
|---|---------------------|----------------------------|------------------------------|-------------------------------|------------------------------|----------------------|
| Current portion of long-term debts | 17,552,100 | - | - | - | - | - |
| Long-term debts | - | - | - | - | - | - |
| Current portion of long-term debts in trust | - | - | - | - | - | - |
| Long-term debts in trust | - | 54,894 | 74,639 | 2,863,679 | 5,217,347 | 1,749,439 |
| Total | 17,552,100 | 54,894 | 74,639 | 2,863,679 | 5,217,347 | 1,749,439 |

As of December 31, 2014

(Unit: thousands of yen)

| | Due within One Year | Due after One to Two Years | Due after Two to Three Years | Due after Three to Four Years | Due after Four to Five Years | Due after Five Years |
|---|---------------------|----------------------------|------------------------------|-------------------------------|------------------------------|----------------------|
| Current portion of long-term debts | 1,200,000 | - | - | - | - | - |
| Long-term debts | - | - | 56,100,000 | - | - | - |
| Current portion of long-term debts in trust | 18,167 | - | - | - | - | - |
| Long-term debts in trust | - | 73,807 | 104,256 | 2,894,530 | 5,143,274 | 1,725,963 |
| Total | 1,218,167 | 73,807 | 56,204,256 | 2,894,530 | 5,143,274 | 1,725,963 |

(Notes Related to Investment Securities)

None

(Notes Related to Derivative Transactions)

None

(Notes Related to Retirements Payments)

None

(Notes Related to Asset Retirement Obligations)

None

(Notes Related to Segment and Related Information)

I. Segment Information

Disclosure is omitted because the real estate investment business is the INV's sole business and it has no reportable segments.

II. Related Information

Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014)

1. Information about each product and service

Disclosure is omitted because net sales to external customers for a single product/service category accounted for over 90% of the operating revenue on the statement of income.

2. Information about each geographic area

(1) Net sales

Disclosure is omitted because net sales to external customers in Japan accounted for over 90% of the operating revenue on the statement of income.

(2) Property, plant and equipment

Disclosure is omitted because the amount of property, plant and equipment located in Japan accounted for over 90% of the amount of property, plant and equipment on the balance sheet.

3. Information about each major customer

Disclosure is omitted because net sales to any single external customer accounted for less than 10% of the operating revenue on the statement of income.

Fiscal Period ended December 31, 2014 (from July 1, 2014 to December 31, 2014)

1. Information about each product and service

Disclosure is omitted because net sales to external customers for a single product/service category accounted for over 90% of the operating revenue on the statement of income.

2. Information about each geographic area

(1) Net sales

Disclosure is omitted because net sales to external customers in Japan accounted for over 90% of the operating revenue on the statement of income.

(2) Property, plant and equipment

Disclosure is omitted because the amount of property, plant and equipment located in Japan accounted for over 90% of the amount of property, plant and equipment on the balance sheet.

3. Information about each major customer

(Unit: thousands of yen)

| Name of Customer | Operating revenues | Related segment |
|------------------------------------|--------------------|------------------------|
| MyStays Hotel Management Co., Ltd. | 1,722,789 | Real Estate Investment |

(Notes Related to Rental Properties)

INV owns residential properties and hotels as core assets and owns other various properties including offices and retails principally in the Tokyo area and major regional cities in order to aim for the establishment of the portfolio which focuses on both improvement of stability and growth potential. The book value, amount changed during the period and balance at the end of the period are as follows.

(Unit: thousands of yen)

| | | | Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014) | Fiscal Period ended December 31, 2014 (from July 1, 2014 to December 31, 2014) |
|-------------|-------------------------------------|--|--|---|
| Residential | Book value | Balance at the beginning of the period | 56,192,804 | 55,874,464 |
| | | Change during the period | (318,340) | (304,706) |
| | | Balance at the end of the period | 55,874,464 | 55,569,758 |
| | Fair value at the end of the period | | 58,865,000 | 60,775,000 |
| Office | Book value | Balance at the beginning of the period | 8,585,639 | 8,579,951 |
| | | Change during the period | (5,687) | (28,342) |
| | | Balance at the end of the period | 8,579,951 | 8,551,609 |
| | Fair value at the end of the period | | 7,288,000 | 7,227,000 |
| Retail | Book value | Balance at the beginning of the period | 5,318,657 | 5,275,638 |
| | | Change during the period | (43,018) | (50,243) |
| | | Balance at the end of the period | 5,275,638 | 5,225,394 |
| | Fair value at the end of the period | | 5,520,000 | 5,690,000 |
| Parking | Book value | Balance at the beginning of the period | 100,838 | 100,825 |
| | | Change during the period | (13) | (1) |
| | | Balance at the end of the period | 100,825 | 100,823 |
| | Fair value at the end of the period | | 105,000 | 107,000 |
| Senior | Book value | Balance at the beginning of the period | 4,385,522 | - |
| | | Change during the period | (4,385,522) | - |
| | | Balance at the end of the period | - | - |
| | Fair value at the end of the period | | - | - |
| Hotel | Book value | Balance at the beginning of the period | - | 5,532,341 |
| | | Change during the period | 5,532,341 | 39,763,665 |
| | | Balance at the end of the period | 5,532,341 | 45,296,007 |
| | Fair value at the end of the period | | 5,490,000 | 52,759,000 |
| Total | Book value | Balance at the beginning of the period | 74,583,461 | 75,363,220 |
| | | Change during the period | 779,759 | 39,380,372 |
| | | Balance at the end of the period | 75,363,220 | 114,743,593 |
| | Fair value at the end of the period | | 77,268,000 | 126,558,000 |

(Note 1) Book value is the figure calculated by decreasing the amount of depreciation from acquisition price (including acquisition-related costs).

- (Note 2) The major factor of the increase for the fiscal period ended June 30, 2014 was acquisition of new hotels and capital expenditures related to construction work, and the major factor of the decrease was sale of senior housing properties and depreciation. The major factor of the increase for the fiscal period ended December 31, 2014 was acquisition of new hotels and capital expenditures related to construction work, and the major factor of the decrease was depreciation.
- (Note 3) The fair value as of the end of the reporting period is determined based on the appraisal value provided by Asset Research and Development Inc., Japan Real Estate Institute, Morii Appraisal & Investment Consulting Inc. and Tanizawa Sogo Appraisal Co., Ltd.

For information related to profits and losses from rental properties, please refer to “Notes to Statement of Income.”

(Notes Related to Tax Accounting)

1. Significant components of deferred tax assets and liabilities

(Unit: thousands of yen)

| | Fiscal Period ended June 30, 2014 | Fiscal Period ended December 31, 2014 |
|--|--------------------------------------|--|
| <hr/> | | |
| (Deferred tax assets - current assets) | | |
| Enterprise tax payable | 517 | - |
| Accounts receivable (merger) | 197 | 197 |
| Allowance for doubtful accounts | 475 | 672 |
| Subtotal | 1,190 | 870 |
| Valuation allowance | 1,190 | 870 |
| Total | - | - |
| (Net deferred tax assets - current) | - | - |
| <hr/> | | |
| (Deferred tax assets - non-current assets) | | |
| Buildings and other (merger) | 812,820 | 801,025 |
| Land (merger) | 2,251,597 | 2,251,597 |
| Long-term accrued expenses | 7,746,144 | 7,749,271 |
| Subtotal | 10,810,561 | 10,801,895 |
| Valuation allowance | 10,810,561 | 10,801,895 |
| Total | - | - |
| (Net deferred tax assets - non-current) | - | - |
| <hr/> | | |

2. Significant difference between statutory tax rate and the effective tax rate

(Unit: %)

| | Fiscal Period ended June 30, 2014 | Fiscal Period ended December 31, 2014 |
|--|--------------------------------------|--|
| <hr/> | | |
| Statutory tax rate | 36.59 | 34.16 |
| Deductible cash distributions | - | (33.54) |
| Provision of reserve for reduction entry | (34.98) | (0.46) |
| Others | (1.54) | (0.13) |
| Effective tax rate | 0.07 | 0.03 |
| <hr/> | | |

3. Revision of the amounts of deferred tax assets and liabilities due to changes in rate of any Corporation Tax, etc.

As a result of the promulgation of the “Local Corporation Tax Act” (Act No. 11 of 2014) and the “Act on Partial Revision of the Local Tax Act, etc.” (Act No. 4 of 2014) on March 31, 2014, a “Local Corporation Tax” will be created and a portion of the Local Corporation Special Tax will be restored in the Corporation Enterprise Tax for fiscal periods starting after October 1, 2014, and therewith the statutory tax rate used to calculate deferred tax assets and liabilities will be changed to 34.16% for temporary differences, etc. which are expected to be eliminated in the fiscal period starting after January 1, 2015. This change in tax rate has no effect on the amounts of deferred tax assets and liabilities, and deferred income taxes.

(Notes Related to Equity-Method Income)

None

(Notes Related to Transactions with Related Parties)

1. Transactions with Parent Company and Major Unitholders

Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014)

| Classification | Name | Address | Stated Capital (Millions of yen) | Business or Occupation | Ratio of Voting Rights Owned (%) | Relationship | | Type of Transaction | Transaction Amount (Thousands of yen) (Note 1) | Account | Balance at the End of the Period (Thousands of yen) (Note 1) |
|---------------------------------------|---|------------------|----------------------------------|--------------------------------|----------------------------------|---------------------|--|--|--|---------|--|
| | | | | | | Common Board Member | Business Relationship | | | | |
| Interested party of the Asset Manager | Zephyrus Tokutei Mokuteki Kaisha (Note 3) | Minato-ku, Tokyo | 0.1 | Investment management business | - | - | Seller of trust beneficiary interests in real estate | Purchase of trust beneficiary interests in real estate (Note 2) (Note 5) | 2,851,000 | - | - |
| | Nishi Tokutei Mokuteki Kaisha (Note 3) | Minato-ku, Tokyo | 0.1 | Investment management business | - | - | Seller of trust beneficiary interests in real estate | Purchase of trust beneficiary interests in real estate (Note 2) (Note 5) | 2,584,000 | - | - |

(Note 1) Consumption taxes are not included in transaction amounts, but are included in the balance at the end of the period.

(Note 2) The terms and conditions have been determined based on the Asset Manager's internal rules and manual regarding transactions with the sponsor company.

(Note 3) Zephyrus Tokutei Mokuteki Kaisha and Nishi Tokutei Mokuteki Kaisha have no capital relationship with the Asset Manager to be disclosed. The funds have received an anonymous partnership investment through funds that are managed by FIG, an affiliate of Calliope. Accordingly, INV treats Zephyrus Tokutei Mokuteki Kaisha and Nishi Tokutei Mokuteki Kaisha as the equivalent of interested party.

(Note 4) Calliope holds 609,942 units (holding ratio: 38.77%) of the issued investment units of INV.

(Note 5) The purchase of trust beneficiary interests pertains to following properties. The transaction amount is the purchase price stated in the trust beneficiary purchase agreement, in which other expenses on acquisition, property taxes, city planning taxes and consumption taxes are not included.

| Property Number | Name of Property | Purchase Price (Thousands of yen) |
|-----------------|-----------------------|-----------------------------------|
| D1 | Hotel MyStays Kanda | 2,851,000 |
| D2 | Hotel MyStays Asakusa | 2,584,000 |
| Total | | 5,435,000 |

Fiscal Period ended December 31, 2014 (from July 1, 2014 to December 31, 2014)

| Classification | Name | Address | Stated Capital (Millions of yen) | Business or Occupation | Ratio of Voting Rights Owned (%) | Relationship | | Type of Transaction | Transaction Amount (Thousands of yen) (Note 1) | Account | Balance at the End of the Period (Thousands of yen) (Note 1) |
|---------------------------------------|--|------------------|----------------------------------|--------------------------------|----------------------------------|---------------------|--|--|--|---------|--|
| | | | | | | Common Board Member | Business Relationship | | | | |
| Interested party of the Asset Manager | Zephyrus Tokutei Mokuteki Kaisha (Note 3) | Minato-ku, Tokyo | 0.1 | Investment management business | - | - | Seller of trust beneficiary interests in real estate | Purchase of trust beneficiary interests in real estate (Note 2) (Note 5) | 14,878,412 | - | - |
| | Nishi Tokutei Mokuteki Kaisha (Note 3) | Minato-ku, Tokyo | 0.1 | Investment management business | - | - | Seller of trust beneficiary interests in real estate | Purchase of trust beneficiary interests in real estate (Note 2) (Note 5) | 4,473,000 | - | - |
| | Shijodori Holding Tokutei Mokuteki Kaisha (Note 3) | Minato-ku, Tokyo | 279 | Investment management business | - | - | Seller of trust beneficiary interests in real estate | Purchase of trust beneficiary interests in real estate (Note 2) (Note 5) | 7,594,980 | - | - |
| | Danube Tokutei Mokuteki Kaisha (Note 3) | Minato-ku, Tokyo | 0.1 | Investment management business | - | - | Seller of trust beneficiary interests in real estate | Purchase of trust beneficiary interests in real estate (Note 2) (Note 5) | 3,845,400 | - | - |
| | Nagahoribashi Holding Tokutei | Minato-ku, Tokyo | 82 | Investment manage- | - | - | Seller of trust | Purchase of trust | 2,514,820 | - | - |

| | | | | | | | | | | |
|--|---------------------|-----|---|---|---|--|--|-----------|-------------------------|---------|
| Mokuteki Kaisha (Note 3) | | | ment business | | | benefi- ciary interests in real estate | beneficiary interests in real estate (Note 2) (Note 5) | | | |
| Aki Tokutei Mokuteki Kaisha (Note 3) | Minato-ku, Tokyo | 0.1 | Investment manage- ment business | - | - | Seller of trust benefi- ciary interests in real estate | Purchase of trust beneficiary interests in real estate (Note 2) (Note 5) | 6,631,968 | - | - |
| MyStays Hotel Management Co., Ltd. (Note 3) | Minato-ku, Tokyo | 100 | Hotel business | - | - | Lessee and operator of hotels | Rental revenues | 1,722,789 | Accounts receivables | 540,064 |

(Note 1) Consumption taxes are not included in transaction amounts, but are included in the balance at the end of the period.

(Note 2) The terms and conditions have been determined based on the Asset Manager's internal rules and manual regarding transactions with the sponsor company.

(Note 3) Zephyrus Tokutei Mokuteki Kaisha, Nishi Tokutei Mokuteki Kaisha, Shijodori Holding Tokutei Mokuteki Kaisha, Danube Tokutei Mokuteki Kaisha, Nagahoribashi Holding Tokutei Mokuteki Kaisha, Aki Tokutei Mokuteki Kaisha and MyStays Hotel Management Co., Ltd. have no capital relationship with the Asset Manager to be disclosed. The Tokutei Mokuteki Kaisha or the lessee and operator have received an anonymous partnership investment or investment through funds that are managed by FIG, an affiliate of Calliope. Accordingly, INV treats Zephyrus Tokutei Mokuteki Kaisha, Nishi Tokutei Mokuteki Kaisha, Shijodori Holding Tokutei Mokuteki Kaisha, Danube Tokutei Mokuteki Kaisha, Nagahoribashi Holding Tokutei Mokuteki Kaisha, Aki Tokutei Mokuteki Kaisha and MyStays Hotel Management Co., Ltd. as the equivalent of interested party.

(Note 4) Calliope holds 609,942 units (holding ratio: 22.85%) of the issued investment units of INV.

(Note 5) The purchase of trust beneficiary interests pertains to following properties. The transaction amount is the purchase price stated in the trust beneficiary purchase agreement, in which other expenses on acquisition, property taxes, city planning taxes and consumption taxes are not included.

| Property Number | Name of Property | Counterparty | Purchase Price (Thousands of yen) |
|-----------------|--|---|-----------------------------------|
| D3 | Hotel MyStays Kyoto-Shijo | Shijodori Holding Tokutei Mokuteki Kaisha | 6,024,460 |
| D4 | MyStays Shin-Urayasu Conference Center | Zephyrus Tokutei Mokuteki Kaisha | 4,930,200 |
| D5 | Hotel MyStays Maihama | Zephyrus Tokutei Mokuteki Kaisha | 4,870,312 |
| D6 | Hotel Vista Premio Dojima | Danube Tokutei Mokuteki Kaisha | 3,845,400 |
| D7 | Hotel MyStays Nagoya-Sakae | Zephyrus Tokutei Mokuteki Kaisha | 2,958,000 |
| D8 | Hotel MyStays Sakaisuji-Honmachi | Nagahoribashi Holding Tokutei Mokuteki Kaisha | 2,514,820 |
| D9 | Hotel MyStays Yokohama | Zephyrus Tokutei Mokuteki Kaisha | 2,119,900 |
| D10 | Hotel MyStays Nippori | Nishi Tokutei Mokuteki Kaisha | 1,898,540 |
| D11 | Hotel MyStays Fukuoka-Tenjin-Minami | Shijodori Holding Tokutei Mokuteki Kaisha | 1,570,520 |
| D12 | Flexstay Inn Iidabashi | Aki Tokutei Mokuteki Kaisha | 1,381,660 |
| D13 | Hotel MyStays Ueno Inaricho | Nishi Tokutei Mokuteki Kaisha | 1,331,960 |
| D14 | Flexstay Inn Shinagawa | Nishi Tokutei Mokuteki Kaisha | 1,242,500 |
| D15 | Flexstay Inn Tokiwadai | Aki Tokutei Mokuteki Kaisha | 1,242,500 |
| D16 | Flexstay Inn Sugamo | Aki Tokutei Mokuteki Kaisha | 1,192,800 |
| D17 | Hotel MyStays Otemae | Aki Tokutei Mokuteki Kaisha | 1,192,800 |
| D18 | Flexstay Inn Kiyosumi-Shirakawa | Aki Tokutei Mokuteki Kaisha | 749,476 |
| D19 | Flexstay Inn Nakanobu P1 | Aki Tokutei Mokuteki Kaisha | 589,442 |
| D20 | Flexstay Inn Nakanobu P2 | Aki Tokutei Mokuteki Kaisha | 283,290 |
| Total | | | 39,938,580 |

2. Transactions with Affiliates

None for both the fiscal period ended June 30, 2014 and the fiscal period ended December 31, 2014

3. Transactions with Companies under Common Control

None for both the fiscal period ended June 30, 2014 and the fiscal period ended December 31, 2014

4. Transactions with Directors and Major Unitholders

Fiscal period ended June 30 (from January 1, 2014 to June 30, 2014)

| Classification | Name | Business or occupation | Ratio of voting rights | Details of transaction | Transaction amount (thousands of yen) (Note 3) | Account | Balance at the End of the Period (thousands of yen) (Note 3) |
|-------------------------------|---------------|---|------------------------|--|--|--------------------------|--|
| Directors and close relatives | Naoki Fukuda | Executive Director of the Investment Corporation and President & CEO of Consonant Investment Management Co., Ltd. | - | Payment of asset management fees to Consonant Investment Management Co., Ltd. (Note 1) | 126,083 | Trade and other payables | 68,670 |
| Same as above | Same as above | Same as above | - | Payment of general administration fees for organizational management to Consonant Investment Management Co., Ltd. (Note 2) | 600 | Trade and other payables | 324 |

(Note 1) Naoki Fukuda served as a representative of the third party (the Asset Manager), and the fee is as set forth in the Articles of Incorporation of the Investment Corporation.

(Note 2) Naoki Fukuda served as a representative of the third party (the Asset Manager), and the fee is as set forth in the agreement, "General Administrative Agreement relating to Organizational Management, between the Investment Corporation and the Asset Manager.

(Note 3) Consumption taxes are not included in transaction amounts, but are included in the balance of the end of the period.

Fiscal Period ended December 31, 2014 (from July 1, 2014 to December 31, 2014)

| Classification | Name | Business or occupation | Ratio of voting rights | Details of transaction | Transaction amount (thousands of yen) (Note 3) | Account | Balance at the End of the Period (thousands of yen) (Note 3) |
|-------------------------------|---------------|---|------------------------|--|--|--------------------------|--|
| Directors and close relatives | Naoki Fukuda | Executive Director of the Investment Corporation and President & CEO of Consonant Investment Management Co., Ltd. | - | Payment of asset management fees to Consonant Investment Management Co., Ltd. (Note 1) | 128,993 | Trade and other payables | 67,500 |
| Same as above | Same as above | Same as above | - | Payment of general administration fees for organizational management to Consonant Investment Management Co., Ltd. (Note 2) | 1,100 | Trade and other payables | 864 |

(Note 1) Naoki Fukuda served as a representative of the third party (the Asset Manager), and the fee is as set forth in the Articles of Incorporation of the Investment Corporation.

(Note 2) Naoki Fukuda served as a representative of the third party (the Asset Manager), and the fee is as set forth in the agreement, "General Administrative Agreement relating to Organizational Management, between the Investment Corporation and the Asset Manager.

(Note 3) Consumption taxes are not included in transaction amounts, but are included in the balance of the end of the period.

(Notes Related to Per Unit Information)

| | Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014) | Fiscal Period ended December 31, 2014 (from July 1, 2014 to December 31, 2014) |
|---------------------|--|---|
| Net assets per unit | 23,121 yen | 23,005 yen |
| Net income per unit | 573 yen | 762 yen |

Net income per unit is calculated by dividing net income for the period by the daily weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated as there are no diluted units.

(Note) The basis for calculating net income per unit is as follows.

| | Fiscal Period ended June 30, 2014 (from January 1, 2014 to June 30, 2014) | Fiscal Period ended December 31, 2014 (from July 1, 2014 to December 31, 2014) |
|--|--|---|
| Net income for the fiscal period (thousands of yen) | 901,815 | 1,958,002 |
| Amounts not attributable to common unit holders (thousands of yen) | - | - |
| Net income attributable to common unit holders (thousands of yen) | 901,815 | 1,958,002 |
| Average number of investment units during the period (units) | 1,573,179 | 2,570,932 |

(Significant Subsequent Events)

1. Borrowing of Funds

INV completed new debt financing in order to procure funds for the acquisition of the trust beneficiary interests for the 3 hotel properties, which INV acquired on February 6, 2015 (see “2. Acquisition of Assets” below), and related costs.

New Syndicate Loan (D)

| | |
|----------------------------|---|
| Lender | :Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Citibank Japan Ltd., Shinsei Bank, Limited, Sumitomo Mitsui Trust Bank, Limited and Resona Bank, Limited |
| Borrowing amount | : JPY6,241 million |
| Interest rate, etc. | : Base Rate (One-month JPY TIBOR) + 0.80% |
| Interest payment date | : On (1) the last Japanese business day of each month before the principal maturity date, beginning with February 27, 2015, and (2) the principal maturity date |
| Principal repayment method | : Lump-sum repayment |
| Borrowing method | : In accordance with the “Individual Loan Agreement” dated February 4, 2015. Secured (Note 1) / with no guarantee |
| Borrowing date | : February 6, 2015 |
| Maturity Date | : February 6, 2018 |

(Note 1) First priority pledges over three real estate properties, Apa Hotel Yokohama-Kannai, Hotel Nets Hakodate and Flexstay Inn Shirogane; and the real estate trust beneficiary interests for 65 properties, Nisshin Palacestage Daitabashi, Nisshin Palacestage Higashi-Nagasaki, Growth Maison Gotanda, Growth Maison Kameido, Emerald House, Harmonie Ochanomizu, Suncrest Shakujii Koen, Growth Maison Shin-Yokohama, Belle Face Ueno Okachimachi, Grand Rire Kameido, Growth Maison Ikebukuro, Growth Maison Yoga, Route Tachikawa, Shibuya Honmachi Mansion, City Heights Kinuta, Acseeds Tower Kawaguchi Namiki, Capital Heights Kagurazaka, College Square Machida, Belair Meguro, Wacore Tsunashima I, Foros Nakamurabashi, Growth Maison Kaijin, College Square Machiya, City House Tokyo Shinbashi, Winbell Kagurazaka, Nishiwaseda Crescent Mansion, Lexington Square Akebonobashi, Casa Eremitaggio, Towa City Coop Shinotsuka II, Bichsel Musashiseki, Lexel Mansion Ueno Matsugaya, Towa City Coop Sengencho, Royal Park Omachi, Lexington Square Haginomachi, Visconti Kakuozan, Lexington Square Daitabashi, Lexington Square Honjo Azumabashi, AMS TOWER Minami 6-Jo, Spacia Ebisu, Kindai Kagakusha Building, Lexington Plaza Nishigotanda, Cross Square NAKANO, Ohki Aoba Building, Lexington

Plaza Hachiman, AEON TOWN Sukagawa, Hotel MyStays Kanda, Hotel MyStays Asakusa, Hotel MyStays Kyoto-Shijo, MyStays Shin-Urayasu Conference Center, Hotel MyStays Maihama, Hotel Vista Premio Dojima, Hotel MyStays Nagoya-Sakae, Hotel MyStays Sakaisuji-Honmachi, Hotel MyStays Yokohama, Hotel MyStays Nippori, Hotel MyStays Fukuoka-Tenjin-Minami, Flexstay Inn Iidabashi, Hotel MyStays Ueno Inaricho, Flexstay Inn Shinagawa, Flexstay Inn Tokiwadai, Flexstay Inn Sugamo, Hotel MyStays Otemae, Flexstay Inn Kiyosumi Shirakawa, Flexstay Inn Nakanobu P1 and Flexstay Inn Nakanobu P2. First priority mortgages over two real estate properties, Shinjuku Island and Times Kanda-Sudacho 4th.

2. Acquisition of Assets

INV decided to acquire the following 3 properties (total acquisition price of JPY 13,261 million) on February 4, 2015, and completed the acquisition of all of the 3 properties on February 6, 2015.

Property number: D21 Name of property: Apa Hotel Yokohama-Kannai

| | |
|---------------------------|--|
| Acquisition Date | February 6, 2015 |
| Acquisition Price (Note) | JPY8,350 million |
| Location | 3-37-2, Sumiyoshi-cho, Naka-ku, Yokohama-shi, Kanagawa |
| Construction Date | April 2005 |
| Category of Assets | Trust Beneficiary Interest |
| Seller | AYK Tokutei Mokuteki Kaisha |
| Total Floor Area | 6,568.51m ² |
| Total Leasable Area | 6,568.51m ² |

Property number: D22 Name of property: Hotel Nets Hakodate

| | |
|---------------------------|--|
| Acquisition Date | February 6, 2015 |
| Acquisition Price (Note) | JPY2,792 million |
| Location | 26-17, Motomachi, Hakodate-shi, Hokkaido |
| Construction Date | February 2008 |
| Category of Assets | Trust Beneficiary Interest |
| Seller | Zephyrus Tokutei Mokuteki Kaisha |
| Total Floor Area | 7,961.26m ² |
| Total Leasable Area | 7,961.26m ² |

Property number: D23 Name of property: Flexstay Inn Shirogane

| | |
|---------------------------|--------------------------------------|
| Acquisition Date | February 6, 2015 |
| Acquisition Price (Note) | JPY2,119 million |
| Location | 5-10-15, Shirokane, Minato-ku, Tokyo |
| Construction Date | December 1984 |
| Category of Assets | Trust Beneficiary Interest |
| Seller | Nishi Tokutei Mokuteki Kaisha |
| Total Floor Area | 1,754.06m ² |
| Total Leasable Area | 1,754.06m ² |

(Note) Acquisition price is based on the purchase price indicated in the relevant purchase agreement and does not include acquisition costs, property taxes, city planning taxes and consumption taxes, etc.

(9) Changes in Number of Investment Units Issued and Outstanding

Changes in the number of investment units issued and outstanding and unitholders' equity from the date of establishment to the end of the reporting period are as follows.

| Date | Type of Issue | Number of Investment Units Issued and Outstanding (units) | | Unitholders' Equity (yen) | | Reference |
|-------------------|-------------------------------------|---|-------|---------------------------|---------------|-----------|
| | | Increase | Total | Increase | Total | |
| January 18, 2002 | Private placement for incorporation | 400 | 400 | 200,000,000 | 200,000,000 | (Note 1) |
| December 26, 2003 | Private placement | 2,700 | 3,100 | 1,012,500,000 | 1,212,500,000 | (Note 2) |
| January 9, 2004 | Private Placement | 1,350 | 4,450 | 506,250,000 | 1,718,750,000 | (Note 2) |
| January 21, 2003 | Private placement | 1,333 | 5,783 | 499,875,000 | 2,218,625,000 | (Note 2) |
| January 27, 2004 | Private placement | 267 | 6,050 | 100,125,000 | 2,318,750,000 | (Note 2) |

| | | | | | | |
|-------------------|-----------------------|-----------|-----------|----------------|----------------|-----------|
| January 28, 2004 | Private placement | 800 | 6,850 | 300,000,000 | 2,618,750,000 | (Note 2) |
| January 31, 2004 | Private placement | 266 | 7,116 | 99,750,000 | 2,718,500,000 | (Note 2) |
| February 5, 2004 | Private placement | 800 | 7,916 | 300,000,000 | 3,018,500,000 | (Note 2) |
| February 7, 2004 | Private placement | 1,333 | 9,249 | 499,875,000 | 3,518,375,000 | (Note 2) |
| May 17, 2004 | Public offering | 9,000 | 18,249 | 3,377,250,000 | 6,895,625,000 | (Note 3) |
| February 7, 2005 | Public offering | 10,650 | 28,899 | 3,937,667,100 | 10,833,292,100 | (Note 4) |
| July 31, 2006 | Public offering | 25,000 | 53,899 | 8,301,125,000 | 19,134,417,100 | (Note 5) |
| February 1, 2010 | Unit split | 215,596 | 269,495 | - | 19,134,417,100 | (Note 6) |
| February 1, 2010 | Merger | 367,200 | 636,695 | - | 19,134,417,100 | (Note 7) |
| July 29, 2011 | Third-party allotment | 711,597 | 1,348,292 | 6,999,979,689 | 26,134,396,789 | (Note 8) |
| December 20, 2013 | Third-party allotment | 224,887 | 1,573,179 | 2,999,992,580 | 29,134,389,369 | (Note 9) |
| July 16, 2014 | Public offering | 1,040,000 | 2,613,179 | 22,747,920,000 | 51,882,309,369 | (Note 10) |
| August 13, 2014 | Third-party allotment | 55,507 | 2,668,686 | 1,214,104,611 | 53,096,413,980 | (Note 11) |

(Note 1) INV was incorporated through a private placement at a price of 500,000 yen per unit.

(Note 2) New investment units were issued in a private placement at a price of 375,000 yen per unit to raise funds for the acquisition of new properties.

(Note 3) New investment units were issued in a public offering at a price of 395,000 per unit (375,250) yen after deducting the underwriters' discount) to raise funds for the acquisition of new properties.

(Note 4) New investment units were issued in a public offering at a price of 385,140 yen per unit (369,734 yen after deducting the underwriters' discount) to raise funds for the acquisition of new properties.

(Note 5) New investment units were issued in a public offering at a price of 348,740 yen per unit (332,045 yen after deducting the underwriters' discount) to raise funds for the acquisition of new properties.

(Note 6) An investment unit split of 5 units per 1 unit was conducted.

(Note 7) A merger by absorption pursuant to Article 147 of the Act on Investment Trusts and Investment Corporations was conducted with LCP, with INV as the surviving entity. As a result of the merger by absorption, 4 investment units of INV (after the investment unit split) were allotted for each LCP investment unit. The number of LCP investment units issued as of the time of the merger by absorption was 91,800 units.

(Note 8) New investment units were issued in a third party allotment at a price of 9,837 yen per unit to make repayment of existing debt, etc.

(Note 9) New investment units were issued in a third party allotment at a price of 13,340 yen per unit to make repayment of existing debt, etc.

(Note 10) New investment units were issued in a public offering at a price of 22,688 yen per unit (21,873 yen after deducting the underwriters' discount) to raise funds for the acquisition of new properties.

(Note 11) New investment units were issued in a third party allotment at a price of 21,873 yen per unit for the purpose of cash reserve to appropriate to repayment in future borrowings.

4. Change in Directors

Changes in directors are disclosed in a timely manner upon the determination of such changes.

5. Reference Information

(1) Composition of INV's Assets

| Type of asset | Purpose | Geographic area (Note 1) | Previous Period (as of June 30, 2014) | | Current Period (as of December 31, 2014) | |
|---------------------------|----------------------------|-----------------------------|--|---------------------------------|--|---------------------------------|
| | | | Amount held (millions of yen) (Note 2) | Ratio of total assets (%) | Amount held (millions of yen) (Note 2) | Ratio of total assets (%) |
| Real estate | Residential | Greater Tokyo area | — | — | — | — |
| | | Major regional cities | — | — | — | — |
| | | Subtotal | — | — | — | — |
| | Office/Retail | Greater Tokyo area | 712 | 0.9 | 710 | 0.5 |
| | | Major regional cities | — | — | — | — |
| | | Subtotal | 712 | 0.9 | 710 | 0.5 |
| | Hourly parking, etc | Greater Tokyo area | 100 | 0.1 | 100 | 0.1 |
| | | Major regional cities | — | — | — | — |
| | | Subtotal | 100 | 0.1 | 100 | 0.1 |
| | Hotel | Greater Tokyo area | — | — | — | — |
| | | Major regional cities | — | — | — | — |
| | | Subtotal | — | — | — | — |
| | Total real estate | | | 813 | 1.0 | 811 |
| Real estate in trust | Residential | Greater Tokyo area | 43,909 | 55.4 | 43,715 | 33.5 |
| | | Major regional cities | 11,965 | 15.1 | 11,853 | 9.1 |
| | | Subtotal | 55,874 | 70.5 | 55,569 | 42.6 |
| | Office/Retail | Greater Tokyo area | 7,106 | 9.0 | 7,083 | 5.4 |
| | | Major regional cities | 6,037 | 7.6 | 5,982 | 4.6 |
| | | Subtotal | 13,143 | 16.6 | 13,066 | 10.0 |
| | Hourly parking, etc | Greater Tokyo area | — | — | — | — |
| | | Major regional cities | — | — | — | — |
| | | Subtotal | — | — | — | — |
| | Hotel | Greater Tokyo area | 5,532 | 7.0 | 27,266 | 20.9 |
| | | Major regional cities | — | — | 18,029 | 13.8 |
| | | Subtotal | 5,532 | 7.0 | 45,296 | 34.7 |
| | Total real estate in trust | | | 74,550 | 94.1 | 113,932 |
| Deposits and other assets | | | 3,898 | 4.9 | 15,733 | 12.1 |
| Total assets (Note 3) | | | 79,261 (75,363) | 100.0 (95.1) | 130,477 (114,743) | 100.0 (87.9) |

(Note 1) Greater Tokyo area refers to Tokyo, Kanagawa Prefecture, Chiba Prefecture and Saitama Prefecture.

(Note 2) “Amount held” is from the balance sheet as of the end of the reporting period and is calculated by deducting accumulated depreciation from the acquisition price (including acquisition related costs).

(Note 3) The figure indicated in“()” in “Total assets” shows the amount related to actual owned real estate.

| | Previous Period (as of June 30, 2014) | | Current Period (as of December 31, 2014) | |
|-------------------------------------|--|---------------------------|---|---------------------------|
| | Amount (millions of yen) | Ratio to total assets (%) | Amount (millions of yen) | Ratio to total assets (%) |
| Total Liabilities | 42,887 | 54.1 | 69,084 | 52.9 |
| Total Net Assets | 36,373 | 45.9 | 61,392 | 47.1 |
| Total Liabilities and Net Assets | 79,261 | 100.0 | 130,477 | 100.0 |

(2) Real Estate Properties

The following summarizes the real estate and real estate held in trust that INV held as of December 31, 2014.

a Price and investment ratio

| Property number (Note 1) | Name of property | Location (Note 2) | Type of ownership | Acquisition price (millions of yen) (Note 3) | Balance sheet carrying value (millions of yen) | Investment ratio (%) (Note 4) | Appraisal value as of December 31, 2013 (millions of yen) (Note 5) | |
|--------------------------|--------------------------------------|---|-----------------------------|--|--|-------------------------------|--|----------|
| A26 | Nisshin Palacestage Daitabashi | 1-31-2 Izumi, Suginami Ward, Tokyo | Trust beneficiary interests | 1,251 | 1,139 | 1.1 | 1,150 | (Note 6) |
| A27 | Nisshin Palacestage Higashi-Nagasaki | 5-4-1 Nagasaki, Toshima Ward, Tokyo | Trust beneficiary interests | 1,229 | 1,112 | 1.0 | 1,250 | (Note 6) |
| A28 | Growth Maison Gotanda | 2-26-6 Nishi-Gotanda, Shinagawa Ward, Tokyo | Trust beneficiary interests | 888 | 842 | 0.8 | 949 | (Note 6) |
| A29 | Growth Maison Kameido | 6-58-16 Kameido, Koto Ward, Tokyo | Trust beneficiary interests | 1,070 | 1,007 | 0.9 | 1,080 | (Note 6) |
| A30 | Emerald House | 3-27-18 Itabashi, Itabashi Ward, Tokyo | Trust beneficiary interests | 1,505 | 1,409 | 1.3 | 1,240 | (Note 6) |
| A31 | Harmonie Ochanomizu | 2-5-5 Yushima, Bunkyo Ward, Tokyo | Trust beneficiary interests | 1,428 | 1,373 | 1.2 | 1,310 | (Note 6) |
| A32 | Suncrest Shakujii-Koen | 3-15-35 Takanodai, Nerima Ward, Tokyo | Trust beneficiary interests | 1,088 | 1,064 | 0.9 | 1,030 | (Note 6) |
| A33 | Growth Maison Shin-Yokohama | 3-16-2 Shin-Yokohama, Kohoku-ku, Yokohama City, Kanagawa Prefecture | Trust beneficiary interests | 1,059 | 989 | 0.9 | 1,140 | (Note 6) |
| A34 | Belle Face Ueno-Okachimachi | 1-27-5 Higashi-Ueno, Taito Ward, Tokyo | Trust beneficiary interests | 1,023 | 977 | 0.9 | 972 | (Note 6) |
| A35 | Grand Rire Kameido | 3-39-12 Kameido, Koto Ward, Tokyo | Trust beneficiary interests | 906 | 849 | 0.8 | 937 | (Note 6) |
| A36 | Growth Maison Ikebukuro | 3-31-14 Nishi-Ikebukuro, Toshima Ward, Tokyo | Trust beneficiary interests | 825 | 772 | 0.7 | 859 | (Note 6) |
| A37 | Growth Maison Yoga | 1-15-15 Okamoto, Setagaya Ward, Tokyo | Trust beneficiary interests | 795 | 761 | 0.7 | 691 | (Note 6) |

| Property number (Note 1) | Name of property | Location (Note 2) | Type of ownership | Acquisition price (millions of yen) (Note 3) | Balance sheet carrying value (millions of yen) | Investment ratio (%) (Note 4) | Appraisal value as of December 31, 2013 (millions of yen) (Note 5) | |
|--------------------------|--------------------------------|---|-----------------------------|--|--|-------------------------------|--|----------|
| | | | | | | | | |
| A38 | Route Tachikawa | 3-7-6 Nishikicho, Tachikawa City, Tokyo | Trust beneficiary interests | 676 | 650 | 0.6 | 606 | (Note 6) |
| A39 | Shibuya-Honmachi Mansion | 2-35-2 Honmachi, Shibuya Ward, Tokyo | Trust beneficiary interests | 651 | 655 | 0.6 | 604 | (Note 6) |
| A40 | City Heights Kinuta | 4-13-15 Kinuta, Setagaya Ward, Tokyo | Trust beneficiary interests | 646 | 646 | 0.5 | 467 | (Note 6) |
| A41 | Acseeds Tower Kawaguchi-Namiki | 2-5-13 Namiki, Kawaguchi City, Saitama Prefecture | Trust beneficiary interests | 620 | 566 | 0.5 | 699 | (Note 6) |
| A42 | Capital Heights Kagurazaka | 71-1 Enokicho, Shinjuku Ward, Tokyo | Trust beneficiary interests | 604 | 616 | 0.5 | 553 | (Note 6) |
| A43 | College Square Machida | 3-4-4 Nakamachi, Machida City, Tokyo | Trust beneficiary interests | 589 | 569 | 0.5 | 511 | (Note 6) |
| A44 | Belair Meguro | 1-2-15 Meguro, Meguro Ward, Tokyo | Trust beneficiary interests | 589 | 570 | 0.5 | 582 | (Note 6) |
| A45 | Wacore Tsunashima I | 2-7-47 Tarumachi, Kohoku-ku, Yokohama City, Kanagawa Prefecture | Trust beneficiary interests | 572 | 543 | 0.5 | 508 | (Note 6) |
| A46 | Foros Nakamurabashi | 1-6-6 Koyama, Nerima Ward, Tokyo | Trust beneficiary interests | 566 | 528 | 0.5 | 565 | (Note 6) |
| A47 | Growth Maison Kaijin | 5-29-51 Kaijin, Funabashi City, Chiba Prefecture | Trust beneficiary interests | 557 | 527 | 0.5 | 458 | (Note 6) |
| A48 | College Square Machiya | 7-3-1 Arakawa, Arakawa Ward, Tokyo | Trust beneficiary interests | 510 | 474 | 0.4 | 509 | (Note 6) |
| A51 | City House Tokyo Shinbashi | 6-19-1 Shinbashi, Minato Ward, Tokyo | Trust beneficiary interests | 2,520 | 2,392 | 2.1 | 2,860 | (Note 7) |
| A52 | Winbell Kagurazaka | 6-15 Shin-Ogawacho, Shinjuku Ward, Tokyo | Trust beneficiary interests | 3,260 | 3,113 | 2.8 | 3,630 | (Note 8) |
| A53 | Nishiwaseda Crescent Mansion | 3-18-9 Nishi-Waseda, Shinjuku Ward, Tokyo | Trust beneficiary interests | 1,880 | 1,876 | 1.6 | 2,280 | (Note 8) |

| Property number (Note 1) | Name of property | Location (Note 2) | Type of ownership | Acquisition price (millions of yen) (Note 3) | Balance sheet carrying value (millions of yen) | Investment ratio (%) (Note 4) | Appraisal value as of December 31, 2013 (millions of yen) (Note 5) | |
|--------------------------|-----------------------------------|--|--------------------------------|--|--|-------------------------------|--|----------|
| A54 | Lexington Square Akebonobashi | 3-8 Yochomachi, Shinjuku Ward, Tokyo | Trust beneficiary interests | 1,450 | 1,368 | 1.2 | 1,630 | (Note 9) |
| A56 | Casa Eremitaggio | 1-14-15 Nakane, Meguro Ward, Tokyo | Trust beneficiary interests | 1,070 | 990 | 0.9 | 1,020 | (Note 7) |
| A59 | Towa City Coop Shinotsuka II | 5-49-7 Higashi-Ikebukuro, Toshima Ward, Tokyo | Trust beneficiary interests | 866 | 826 | 0.7 | 985 | (Note 7) |
| A61 | Bichsel Musashiseki | 1-22-7 Sekimachi-Kita, Nerima Ward, Tokyo | Trust beneficiary interests | 577 | 556 | 0.5 | 659 | (Note 8) |
| A62 | Lexel Mansion Ueno Matsugaya | 3-10-2 Matsugaya, Taito Ward, Tokyo | Trust beneficiary interests | 970 | 893 | 0.8 | 1,090 | (Note 9) |
| A63 | Towa City Coop Sengencho | 4-338-2 Sengencho, Nishi-ku, Yokohama City, Kanagawa Prefecture | Trust beneficiary interests | 1,110 | 1,039 | 0.9 | 1,300 | (Note 7) |
| A64 | Royal Park Omachi | 2-11-10 Omachi, Aoba-ku, Sendai City, Miyagi Prefecture | Trust beneficiary interests | 415 | 396 | 0.4 | 503 | (Note 7) |
| A65 | Lexington Square Haginomachi | 1-15-16 Haginomachi, Miyagino-ku, Sendai City, Miyagi Prefecture | Trust beneficiary interests | 330 | 303 | 0.3 | 441 | (Note 7) |
| A66 | Visconti Kakuozan | 2-44 Otanacho, Chikusa-ku, Nagoya City, Aichi Prefecture | Trust beneficiary interests | 255 | 238 | 0.2 | 252 | (Note 9) |
| A71 | Lexington Square Daitabashi | 1-33-8 Izumi, Suginami Ward, Tokyo | Trust beneficiary interests | 977 | 898 | 0.8 | 1,070 | (Note 9) |
| A72 | Lexington Square Honjo Azumabashi | 4-20-6 Higashikomagata, Sumida Ward, Tokyo | Trust beneficiary interests | 511 | 464 | 0.4 | 566 | (Note 9) |

| Property number (Note 1) | Name of property | Location (Note 2) | Type of ownership | Acquisition price (millions of yen) (Note 3) | Balance sheet carrying value (millions of yen) | Investment ratio (%) (Note 4) | Appraisal value as of December 31, 2013 (millions of yen) (Note 5) | |
|-----------------------------|------------------------------|---|--------------------------------|--|---|----------------------------------|---|----------|
| | | | | | | | | |
| A73 | AMS TOWER Minami 6-Jo | 2-5-15 Minami 6-Jo Nishi, Chuo-ku, Sapporo City, Hokkaido | Trust beneficiary interests | 1,180 | 1,043 | 1.0 | 1,130 | (Note 9) |
| A75 | Spacia Ebisu | 3-6-22 Higashi, Shibuya Ward, Tokyo | Trust beneficiary interests | 7,010 | 6,657 | 5.9 | 7,230 | (Note 7) |
| A76 | Neo Prominence | 3-21-5 Shimo, Kita Ward, Tokyo | Trust beneficiary interests | 1,660 | 1,649 | 1.4 | 1,800 | (Note 7) |
| A77 | Invoice Shin-Kobe Residence | 3-3-8 Ikutacho Chuo Ward, Kobe City, Hyogo Prefecture | Trust beneficiary interests | 1,260 | 1,239 | 1.1 | 1,340 | (Note 7) |
| A78 | Cosmo Court Motomachi | 3-12-20 Motomachi Dori Chuo Ward, Kobe City, Hyogo Prefecture | Trust beneficiary interests | 973 | 956 | 0.8 | 1,040 | (Note 7) |
| A79 | Revest Honjin | 2-13 Torii Dori Nakamura Ward, Nagoya City, Aichi Prefecture | Trust beneficiary interests | 674 | 662 | 0.6 | 732 | (Note 7) |
| A80 | Revest Matsubara | 3-13-12 Matsubara Naka Ward, Nagoya City, Aichi Prefecture | Trust beneficiary interests | 657 | 646 | 0.6 | 743 | (Note 7) |
| A81 | Sun Terrace Minami Ikebukuro | 2-22-6 Minami Ikebukuro, Toshima Ward, Tokyo | Trust beneficiary interests | 625 | 615 | 0.5 | 695 | (Note 7) |
| A82 | Alba Noritake Shinmachi | 3-6-8 Noritake Shinmachi, Nishi Ward, Nagoya City, Aichi Prefecture | Trust beneficiary interests | 608 | 598 | 0.5 | 666 | (Note 7) |
| A83 | Revest Meieki Minami | 2-13-33 Meiekiminami, Nakamura Ward, Nagoya City, Aichi Prefecture | Trust beneficiary interests | 597 | 587 | 0.5 | 674 | (Note 7) |
| A84 | Revest Heian | 2-13-17 Heian, Kita Ward, Nagoya City, Aichi Prefecture | Trust beneficiary interests | 595 | 585 | 0.5 | 641 | (Note 7) |
| A85 | Vendir Hamaotsu Ekimae | 1-2-15 Hama Otsu, Otsu City, Shiga Prefecture | Trust beneficiary interests | 581 | 569 | 0.5 | 674 | (Note 7) |
| A86 | Salvo Sala | 2-6-21 Shimanouchi Chuo Ward, Osaka City, Osaka Prefecture | Trust beneficiary interests | 544 | 537 | 0.5 | 603 | (Note 7) |
| A87 | Excellente Kagurazaka | 128-1 Yamabukicho Shinjuku Ward, Tokyo, and other one parcel | Trust beneficiary interests | 543 | 537 | 0.5 | 593 | (Note 7) |

| Property number (Note 1) | Name of property | Location (Note 2) | Type of ownership | Acquisition price (millions of yen) (Note 3) | Balance sheet carrying value (millions of yen) | Investment ratio (%) (Note 4) | Appraisal value as of December 31, 2013 (millions of yen) (Note 5) | |
|--------------------------|-----------------------------------|---|-----------------------------|--|--|-------------------------------|--|----------|
| | | | | | | | | |
| A88 | Luna Court Edobori | 3-4-11 Edobori, Nishi Ward, Osaka City, Osaka Prefecture | Trust beneficiary interests | 525 | 516 | 0.4 | 565 | (Note 7) |
| A89 | Winntage Kobe Motomachi | 7-2-2 Motomachi Dori, Chuo Ward, Kobe City, Hyogo Prefecture | Trust beneficiary interests | 512 | 502 | 0.4 | 560 | (Note 7) |
| A90 | Queen's Court Fukuzumi | 1-3-10 Fukuzumi, Koto Ward, Tokyo | Trust beneficiary interests | 456 | 451 | 0.4 | 528 | (Note 7) |
| A91 | Corp Higashinotoin | 380-1 Kawaranomachi, Higashinotoin Dori Nijo Kudara, Chukyo Ward, Kyoto City, Kyoto Prefecture, and other two parcels | Trust beneficiary interests | 446 | 440 | 0.4 | 491 | (Note 7) |
| A92 | Belair Oimachi | 5-14-17 Higashi Oi, Shinagawa Ward, Tokyo | Trust beneficiary interests | 412 | 408 | 0.3 | 476 | (Note 7) |
| A93 | Siete Minami-Tsukaguchi | 3-18 Minami Tsukaguchimachi, Amagasaki City, Hyogo Prefecture | Trust beneficiary interests | 374 | 370 | 0.3 | 414 | (Note 7) |
| A94 | Prime Life Sannomiya Isogami Koen | 4-3-23 Isogamidori, Chuo Ward, Kobe City Hyogo Prefecture | Trust beneficiary interests | 373 | 368 | 0.3 | 397 | (Note 7) |
| A95 | HERMITAGE NANBA WEST | 4-10-3 Sakuragawa Naniwa Ward, Osaka City, Osaka Prefecture | Trust beneficiary interests | 355 | 352 | 0.3 | 397 | (Note 7) |
| A96 | Century Park Shinkawa 1-bankan | 4-1-2 Shinkawamachi Minato Ward, Nagoya City, Aichi Prefecture | Trust beneficiary interests | 335 | 333 | 0.3 | 399 | (Note 7) |
| A97 | West Avenue | 1-5-17 Nishi, Kunitachi City, Tokyo | Trust beneficiary interests | 331 | 325 | 0.3 | 344 | (Note 7) |
| A98 | Little River Honmachibashi | 1-34 Honmachibashi Chuo Ward, Osaka City, Osaka Prefecture | Trust beneficiary interests | 310 | 309 | 0.3 | 364 | (Note 7) |
| A99 | Prime Life Mikage | 2-25-11 Mikage Tsukamachi Higashi Nada Ward, Kobe City, Hyogo Prefecture | Trust beneficiary interests | 297 | 293 | 0.3 | 323 | (Note 7) |
| Subtotal (63 properties) | | | | 58,083 | 55,569 | 49.3 | 60,775 | - |
| B8 | Kindai Kagakusha Building | 2-7-15, Ichigaya Tamachi, Shinjuku Ward, Tokyo | Trust beneficiary interests | 1,301 | 1,239 | 1.1 | 1,040 | (Note 6) |
| B9 | Shinjuku Island | 6-5-1 Nishi-Shinjuku, Shinjuku Ward, Tokyo | Real estate | 715 | 710 | 0.6 | 574 | (Note 8) |

| Property number (Note 1) | Name of property | Location (Note 2) | Type of ownership | Acquisition price (millions of yen) (Note 3) | Balance sheet carrying value (millions of yen) | Investment ratio (%) (Note 4) | Appraisal value as of December 31, 2013 (millions of yen) (Note 5) | |
|--------------------------|--|---|-----------------------------------|--|--|-------------------------------|--|----------|
| | | | | | | | | |
| B14 | Lexington Plaza Nishigotanda | 5-2-4 Nishigotanda, Shinagawa Ward, Tokyo | Trust beneficiary interests | 4,880 | 4,776 | 4.1 | 4,010 | (Note 7) |
| B15 | Cross Square NAKANO | 5-24-18 Nakano, Nakano Ward, Tokyo | Trust beneficiary interests | 1,060 | 1,067 | 0.9 | 944 | (Note 7) |
| B16 | Ohki Aoba Building | 9-7 Futsukacho, Aoba-ku, Sendai City, Miyagi Prefecture | Trust beneficiary interests | 816 | 757 | 0.7 | 659 | (Note 9) |
| B17 | Lexington Plaza Hachiman | 3-1-50 Hachiman, Aoba-ku, Sendai City, Miyagi Prefecture | Trust beneficiary interests | 3,280 | 3,163 | 2.8 | 3,440 | (Note 8) |
| B18 | AEON TOWN Sukagawa | 105 Furukawa, Sukagawa City, Fukushima Prefecture | Trust beneficiary interests | 2,320 | 2,061 | 2.0 | 2,250 | (Note 8) |
| Subtotal (7 properties) | | | | 14,372 | 13,777 | 12.2 | 12,917 | - |
| C1 | Times Kanda-Sudacho 4th | 1-22-7, 1-22-15 Kanda sudacho, Chiyoda Ward, Tokyo | Real estate | 97 | 100 | 0.1 | 107 | (Note 6) |
| Subtotal (1 properties) | | | | 97 | 100 | 0.1 | 107 | - |
| D1 | Hotel MyStays Kanda | 1-2-2 Iwamotocho, Chiyoda Ward, Tokyo | Trust beneficiary interests | 2,851 | 2,891 | 2.4 | 3,280 | (Note 7) |
| D2 | Hotel MyStays Asakusa | 1-21-11 Honjyo, Sumida Ward, Tokyo | Trust beneficiary interests | 2,584 | 2,608 | 2.2 | 3,290 | (Note 7) |
| D3 | Hotel MyStays Kyoto-shijo | 52, Kasaboko-cho, Higashiiru, Aburanokoji, Shijyo-dori, Shimogyo, Kyoto-shi, Kyoto Prefecture | Trust beneficiary interests | 6,024 | 5,997 | 5.1 | 8,010 | (Note 7) |
| D4 | MyStays Shin-Urayasu Conference Center | 2-1-4, Akemi, Urayasu-shi, Chiba Prefecture | Trust beneficiary interests | 4,930 | 4,905 | 4.2 | 5,260 | (Note 7) |
| D5 | Hotel MyStays Maihama | 3-5-1, Tekko-dori, Urayasu-shi, Chiba Prefecture | Trust beneficiary interests | 4,870 | 4,846 | 4.1 | 5,080 | (Note 7) |
| D6 | Hotel Vista Premio Dojima | 2-4-1, Sonezakishinchi, Kita-ku, Osaka Prefecture | Trust beneficiary interests | 3,845 | 3,834 | 3.3 | 4,300 | (Note 7) |
| D7 | Hotel MyStays Nagoya-Sakae | 2-23-22, Higashisakura, Naka-ku, Nagoya, Aichi Prefecture | Trust beneficiary interests | 2,958 | 2,929 | 2.5 | 3,040 | (Note 7) |
| D8 | Hotel MyStays Sakaisuji-Honmachi | 1-4-8, Awaji-machi, Chuo-ku, Osaka-shi, Osaka Prefecture | Trust beneficiary interests | 2,514 | 2,508 | 2.1 | 3,250 | (Note 7) |

| Property number (Note 1) | Name of property | Location (Note 2) | Type of ownership | Acquisition price (millions of yen) (Note 3) | Balance sheet carrying value (millions of yen) | Investment ratio (%) (Note 4) | Appraisal value as of December 31, 2013 (millions of yen) (Note 5) | |
|--------------------------|-------------------------------------|--|-----------------------------------|--|--|-------------------------------|--|----------|
| | | | | | | | | |
| D9 | Hotel MyStays Yokohama | 4-81, Sueyoshi-cho, Naka-ku, Yokohama-shi, Kanagawa | Trust beneficiary interests | 2,119 | 2,108 | 1.8 | 2,590 | (Note 7) |
| D10 | Hotel MyStays Nippori | 5-43-7, Higashi-Nippori, Arakawa-ku, Tokyo | Trust beneficiary interests | 1,898 | 1,891 | 1.6 | 2,140 | (Note 7) |
| D11 | Hotel MyStays Fukuoka-Tenjin-Minami | 3-14-20, Haruyoshi, Chuo-ku, Fukuoka-shi, Fukuoka Prefecture | Trust beneficiary interests | 1,570 | 1,567 | 1.3 | 1,740 | (Note 7) |
| D12 | Flexstay Inn Iidabashi | 3-26, Shin-Ogawa-cho, Shinjuku-ku, Tokyo | Trust beneficiary interests | 1,381 | 1,382 | 1.2 | 1,560 | (Note 7) |
| D13 | Hotel MyStays Ueno Inaricho | 1-5-7, Matsugaya, Taito-ku, Tokyo | Trust beneficiary interests | 1,331 | 1,326 | 1.1 | 1,540 | (Note 7) |
| D14 | Flexstay Inn Shinagawa | 1-22-19, Kitashinagawa, Shinagawa-ku, Tokyo | Trust beneficiary interests | 1,242 | 1,242 | 1.1 | 1,510 | (Note 7) |
| D15 | Flexstay Inn Tokiwadai | 1-52-5, Tokiwadai, Itabashi-ku, Tokyo | Trust beneficiary interests | 1,242 | 1,244 | 1.1 | 1,420 | (Note 7) |
| D16 | Flexstay Inn Sugamo | 3-6-16, Sugamo, Toshima-ku, Tokyo | Trust beneficiary interests | 1,192 | 1,189 | 1.0 | 1,370 | (Note 7) |
| D17 | Hotel MyStays Otemae | 1-3-2, Tokui-cho, Chuo-ku, Osaka-shi, Osaka | Trust beneficiary interests | 1,192 | 1,192 | 1.0 | 1,600 | (Note 7) |
| D18 | Flexstay Inn Kiyosumi Shirakawa | 1-12-16, Tokiwa, Koto-ku, Tokyo | Trust beneficiary interests | 749 | 750 | 0.6 | 821 | (Note 7) |
| D19 | Flexstay Inn Nakanobu P1 | 4-27-12, Futaba, Shinagawa-ku, Tokyo | Trust beneficiary interests | 589 | 591 | 0.5 | 647 | (Note 7) |
| D20 | Flexstay Inn Nakanobu P2 | 4-27-8, Futaba, Shinagawa-ku, Tokyo | Trust beneficiary interests | 283 | 286 | 0.2 | 311 | (Note 7) |
| Subtotal (20 properties) | | | | 45,373 | 45,296 | 38.5 | 52,759 | - |
| Total (91 properties) | | | | 117,927 | 114,743 | 100.0 | 126,558 | - |

- (Note 1) “Property number” indicates the categorization of properties acquired by INV according to use, with “A” for residential, “B” for office and retail, “C” for parking lots and “D” for hotel, and a number assigned for each property. The number following “A”, “B”, “C” and “D” is assigned based on how early the acquisition was made, except that for acquisitions made at the same time the number is assigned based on how large the acquisition price was.
- (Note 2) “Location” is in principle based on the indicated address (*kyuhyoji*), except that if the *kyuhyoji* system has not been implemented for such property, the location is based on the land number (*banchi*).
- (Note 3) “Acquisition price” is the purchase price indicated in the real estate or trust beneficiary purchase agreement. Such price excludes consumption taxes and has been rounded down to the nearest hundred million yen.
- (Note 4) “Investment ratio” is the ratio of the acquisition price to the aggregate acquisition price of INV’s portfolio, and has been rounded to one decimal place.
- (Note 5) “Appraisal value as of December 31, 2013” is the value appraised or researched by the real estate appraiser as of the end of the fiscal period in accordance with the Articles of Incorporation of INV and the regulations of the Investment Trust Association, Japan. The real estate appraisers are as follows.

| Real estate appraiser |
|--|
| (Note 6) Asset Research and Development Inc. |
| (Note 7) Japan Real Estate Institute |
| (Note 8) Morii Appraisal & Investment Consulting Inc |
| (Note 9) Tanizawa Sogo Appraisal Co., Ltd. |

b Capital expenditures for assets under management

(a) Schedule for capital expenditures

The schedule for the principal capital expenditures for property maintenance construction etc. as of the end of the fiscal period for the real estate assets is as follows.

| Name of Property | Location | Purpose | Scheduled Time of Implementation | Estimated Cost (Thousands of yen) | | |
|---|--------------------------------------|--|------------------------------------|-----------------------------------|-------------------------------|------------------|
| | | | | Total | Payment for the Fiscal Period | Advance Payments |
| A26 Nisshin Palacestage Daitabashi | Suginami Ward, Tokyo | Intercom renovation work | From June 2015 to June 2015 | 5,303 | — | — |
| A32 Suncrest Shakujii- Koen | Nerima Ward, Tokyo | Renewal work on backup power generators | From June 2015 to June 2015 | 8,824 | — | — |
| B15 Cross Square NAKANO | Nakano Ward, Tokyo | Renovation work on the 8th – 10th floors | From February 2015 to June 2015 | 8,100 | — | — |
| B16 Ohki Aoba Building | Sendai City, Miyagi Prefecture | Maintenance work on exterior walls | From May 2015 to June 2015 | 40,000 | — | — |
| B16 Ohki Aoba Building | Sendai City, Miyagi Prefecture | Work corresponding to a tenant on the 6th floor | From April 2015 to April 2015 | 5,000 | — | — |
| D06 Hotel Vista Premio Dojima | Osaka-shi, Osaka | Renewal work on storage battery equipment | From April 2015 to April 2015 | 9,140 | — | — |
| D17 Hotel MyStays Otemae | Osaka-shi, Osaka | Installation of a wireless local area network for guest rooms | From April 2015 to April 2015 | 7,200 | — | — |

(b) Capital expenditures for the fiscal period ended December 31, 2014

The principal construction constituting capital expenditures for the real estate assets for the fiscal period ended December 31, 2014 is as follows. Capital expenditures for the fiscal period was 116,923 thousand yen, and together with 29,710 thousand yen of repair cost included in this fiscal period's expenses, construction work totaling 146,633 thousand yen was implemented.

| Name of Property | | Location | Purpose | Time of Implementation | Payment (Thousands of yen) |
|--------------------|--------------------------------|--------------------------------|---|--------------------------------------|----------------------------|
| A26 | Nisshin Palacestage Daitabashi | Suginami Ward, Tokyo | Renewal work on prepaid hot water units | From December 2014 to December 2014 | 6,258 |
| A53 | Nishiwaseda Crescent Mansion | Shinjuku Ward, Tokyo | Maintenance work on miscellaneous drainage pipe | From September 2014 to December 2014 | 28,080 |
| A64 | Royal Park Omachi | Sendai City, Miyagi Prefecture | Renewal work on air conditioning system | From December 2014 to December 2014 | 4,500 |
| B8 | Kindai Kagakusha Building | Shinjuku Ward, Tokyo | Renewal work on air conditioning system | From September 2014 to October 2014 | 15,573 |
| B16 | Ohki Aoba Building | Sendai City, Miyagi Prefecture | Maintenance work on electrical installations | From December 2014 to December 2014 | 3,605 |
| Other construction | | | | | 58,907 |
| Total | | | | | 116,923 |

(c) Reserved funds for long-term maintenance plan (repair reserves)

INV has reserved funds, as below, from the cash flow of the relevant fiscal period towards large-scale maintenance repairs in the medium to long term future in accordance with the long-term maintenance plan for each property.

| Fiscal period | 19th Fiscal Period | 20th Fiscal Period | 21st Fiscal Period | 22nd Fiscal Period | 23rd Fiscal Period |
|--|--|---------------------------------------|--|---------------------------------------|--|
| | From July 1, 2012 to December 31, 2012 | From January 1, 2013 to June 30, 2013 | From July 1, 2013 to December 31, 2013 | From January 1, 2014 to June 30, 2014 | From July 1, 2014 to December 31, 2014 |
| Reserved funds at beginning of period | 487,561 thousand yen | 541,609 thousand yen | 571,543 thousand yen | 524,730 thousand yen | 579,682 thousand yen |
| Amount reserved (Note) | 151,076 thousand yen | 165,233 thousand yen | 165,271 thousand yen | 199,177 thousand yen | 268,495 thousand yen |
| Amount reversed (Note) | 97,028 thousand yen | 135,298 thousand yen | 212,084 thousand yen | 144,225 thousand yen | 109,812 thousand yen |
| Amount carried over for next fiscal period | 541,609 thousand yen | 571,543 thousand yen | 524,730 thousand yen | 579,682 thousand yen | 738,365 thousand yen |

(Note) The amount reserved for the relevant fiscal period includes the reserves for acquired properties, and the amount reversed includes the reserves for disposed properties.

c Condition of income, etc. (From July 1, 2014 to December 31, 2014)

(Unit: Thousands of yen)

| Property No. | Property Name | Total of rental revenue (i) | Total of rental- | | Total of rental-related expenses (ii) | Facility management fee | Tax and other public charges | Insurance expenses | Other expenses | Depreciation expenses (iii) | Profit and Loss (i)-(ii) | NOI (i)-(ii)+ (iii) |
|--------------|--------------------------------------|--------------------------------|------------------------|--------------|--|-------------------------|------------------------------|--------------------|----------------|--------------------------------|-----------------------------|---------------------------|
| | | | Rent, common area fees | Other income | | | | | | | | |
| A26 | Nisshin Palacestage Daitabashi | 38,666 | 35,428 | 3,238 | 19,147 | 7,308 | 1,596 | 65 | 2,273 | 7,903 | 19,519 | 27,422 |
| A27 | Nisshin Palacestage Higashi-Nagasaki | 45,828 | 41,254 | 4,574 | 23,622 | 6,738 | 2,678 | 90 | 1,825 | 12,289 | 22,206 | 34,495 |
| A28 | Growth Maison Gotanda | 27,376 | 26,772 | 604 | 8,339 | 2,121 | 1,325 | 31 | 510 | 4,350 | 19,036 | 23,387 |
| A29 | Growth Maison Kameido | 30,410 | 29,017 | 1,392 | 14,168 | 5,065 | 1,686 | 42 | 1,459 | 5,914 | 16,241 | 22,156 |
| A30 | Emerald House | 41,741 | 38,920 | 2,821 | 19,107 | 5,899 | 2,565 | 93 | 762 | 9,786 | 22,633 | 32,420 |
| A31 | Harmonie Ochanomizu | 35,263 | 32,955 | 2,308 | 17,817 | 5,269 | 1,851 | 64 | 3,516 | 7,115 | 17,446 | 24,561 |
| A32 | Suncrest Shakujii-Koen | 36,344 | 33,446 | 2,898 | 15,167 | 3,821 | 3,138 | 93 | 817 | 7,295 | 21,177 | 28,472 |
| A33 | Growth Maison Shin-Yokohama | 33,317 | 30,512 | 2,804 | 15,478 | 3,658 | 2,403 | 65 | 3,260 | 6,090 | 17,838 | 23,929 |
| A34 | Belle Face Ueno-Okachimachi | 30,191 | 29,924 | 267 | 12,621 | 4,901 | 1,667 | 41 | 655 | 5,355 | 17,569 | 22,925 |
| A35 | Grand Rire Kameido | 26,619 | 26,619 | - | 8,240 | 499 | 1,708 | 44 | 500 | 5,487 | 18,379 | 23,867 |
| A36 | Growth Maison Ikebukuro | 24,272 | 22,712 | 1,559 | 10,801 | 2,804 | 1,057 | 38 | 1,647 | 5,253 | 13,471 | 18,724 |
| A37 | Growth Maison Yoga | 21,746 | 20,252 | 1,493 | 9,497 | 2,820 | 1,362 | 39 | 1,327 | 3,948 | 12,248 | 16,196 |
| A38 | Route Tachikawa | 20,942 | 19,380 | 1,561 | 8,300 | 2,394 | 1,067 | 38 | 743 | 4,056 | 12,642 | 16,698 |
| A39 | Shibuya-Honmachi Mansion | 19,947 | 19,027 | 920 | 7,921 | 4,017 | 919 | 33 | 789 | 2,161 | 12,025 | 14,187 |
| A40 | City Heights Kinuta | 17,664 | 17,027 | 637 | 4,570 | 1,371 | 976 | 33 | 643 | 1,545 | 13,093 | 14,639 |
| A41 | Acseeds Tower Kawaguchi-Namiki | 23,651 | 21,706 | 1,945 | 11,167 | 2,991 | 1,126 | 36 | 1,973 | 5,038 | 12,484 | 17,522 |
| A42 | Capital Heights Kagurazaka | 18,249 | 17,791 | 458 | 8,297 | 3,658 | 1,079 | 36 | 1,317 | 2,205 | 9,951 | 12,157 |
| A43 | College Square Machida | 18,268 | 18,268 | - | 5,051 | 430 | 1,508 | 28 | 500 | 2,584 | 13,216 | 15,801 |
| A44 | Belair Meguro | 16,195 | 15,330 | 865 | 5,859 | 1,854 | 859 | 21 | 811 | 2,313 | 10,336 | 12,649 |
| A45 | Wacore Tsunashima I | 18,002 | 16,812 | 1,190 | 9,977 | 3,625 | 894 | 29 | 1,534 | 3,893 | 8,025 | 11,918 |
| A46 | Foros Nakamurabashi | 17,954 | 16,405 | 1,549 | 9,047 | 3,001 | 985 | 33 | 659 | 4,367 | 8,907 | 13,274 |
| A47 | Growth Maison Kaijin | 21,294 | 19,384 | 1,909 | 15,620 | 5,929 | 2,076 | 79 | 1,294 | 6,240 | 5,673 | 11,914 |
| A48 | College Square Machiya | 14,706 | 14,706 | - | 5,016 | - | 939 | 27 | 500 | 3,549 | 9,689 | 13,239 |
| A51 | City House Tokyo Shinbashi | 88,383 | 82,967 | 5,415 | 39,320 | 15,027 | 4,902 | 106 | 6,191 | 13,092 | 49,063 | 62,156 |
| A52 | Winbell Kagurazaka | 103,227 | 96,432 | 6,794 | 36,229 | 8,793 | 6,277 | 138 | 5,216 | 15,803 | 66,998 | 82,801 |
| A53 | Nishiwaseda Crescent Mansion | 68,082 | 63,561 | 4,520 | 23,561 | 10,804 | 3,540 | 99 | 2,523 | 6,594 | 44,520 | 51,115 |
| A54 | Lexington Square Akebonobashi | 45,511 | 43,417 | 2,094 | 18,552 | 5,053 | 2,183 | 55 | 2,633 | 8,625 | 26,959 | 35,584 |
| A56 | Casa Eremitaggio | 30,380 | 27,881 | 2,499 | 16,387 | 4,143 | 1,689 | 43 | 1,467 | 9,043 | 13,993 | 23,037 |
| A59 | Towa City Coop Shinotsuka II | 33,307 | 32,128 | 1,179 | 11,282 | 3,670 | 1,379 | 49 | 1,500 | 4,684 | 22,025 | 26,709 |
| A61 | Bichsel Musashiseki | 22,012 | 21,334 | 678 | 8,447 | 3,579 | 1,171 | 44 | 1,106 | 2,544 | 13,565 | 16,109 |
| A62 | Lexel Mansion Ueno Matsugaya | 33,167 | 30,205 | 2,961 | 15,000 | 3,476 | 1,892 | 54 | 1,303 | 8,272 | 18,167 | 26,439 |
| A63 | Towa City Coop Sengencho | 54,726 | 49,375 | 5,350 | 30,351 | 17,433 | 3,002 | 99 | 2,359 | 7,456 | 24,374 | 31,831 |
| A64 | Royal Park Omachi | 24,188 | 21,515 | 2,673 | 12,666 | 5,996 | 1,591 | 57 | 918 | 4,102 | 11,521 | 15,624 |
| A65 | Lexington Square Haginomachi | 18,428 | 16,545 | 1,883 | 8,008 | 2,320 | 1,148 | 36 | 952 | 3,550 | 10,420 | 13,970 |
| A66 | Visconti Kakuozan | 11,318 | 10,225 | 1,092 | 6,831 | 3,037 | 904 | 21 | 1,112 | 1,756 | 4,486 | 6,243 |
| A71 | Lexington Square Daitabashi | 27,913 | 26,630 | 1,282 | 14,944 | 3,157 | 1,546 | 40 | 2,196 | 8,002 | 12,969 | 20,972 |
| A72 | Lexington Square Azumabashi Honjo | 17,226 | 16,260 | 965 | 9,278 | 2,031 | 810 | 29 | 1,507 | 4,900 | 7,947 | 12,847 |
| A73 | AMS TOWER Minami 6-Jo | 45,814 | 42,782 | 3,032 | 31,246 | 6,538 | 6,443 | 112 | 4,029 | 14,123 | 14,567 | 28,691 |
| A75 | Spacia Ebisu | 187,027 | 169,834 | 17,193 | 68,924 | 14,270 | 8,701 | 225 | 8,805 | 36,921 | 118,103 | 155,024 |
| A76 | Neo Prominence | 61,481 | 52,443 | 9,038 | 27,947 | 11,826 | 3,519 | 114 | 2,489 | 9,997 | 33,534 | 43,531 |
| A77 | Invoice Shin-Kobe Residence | 48,843 | 46,202 | 2,640 | 21,342 | 4,232 | 2,743 | 67 | 2,847 | 11,451 | 27,500 | 38,952 |
| A78 | Cosmo Court Motomachi | 33,405 | 32,526 | 879 | 17,827 | 3,822 | 2,306 | 65 | 1,660 | 9,972 | 15,577 | 25,550 |
| A79 | Revest Honjin | 29,805 | 27,837 | 1,968 | 14,362 | 3,514 | 1,787 | 57 | 1,603 | 7,398 | 15,442 | 22,841 |
| A80 | Revest Matsubara | 27,735 | 26,005 | 1,730 | 13,256 | 3,101 | 1,858 | 52 | 1,268 | 6,975 | 14,478 | 21,453 |
| A81 | Sun Terrace Minami Ikebukuro | 20,277 | 18,017 | 2,260 | 11,210 | 3,242 | 905 | 28 | 2,176 | 4,857 | 9,067 | 13,925 |
| A82 | Alba Noritake Shinmachi | 25,539 | 22,984 | 2,555 | 14,949 | 4,506 | 1,730 | 52 | 1,778 | 6,880 | 10,590 | 17,471 |

| Property No. | Property Name | Total of rental revenue | | | Total of rental-related expenses (ii) | Facility management fee | Tax and other public charges | Insurance expenses | Other expenses | Depreciation expenses (iii) | Profit and Loss ((i)-(ii)) | NOI ((i)-(ii)+ (iii)) |
|--------------|-----------------------------------|-------------------------|------------------------|--------------|---------------------------------------|-------------------------|------------------------------|--------------------|----------------|-----------------------------|----------------------------|-----------------------|
| | | (i) | Rent, common area fees | Other income | | | | | | | | |
| A83 | Revest Meieki Minami | 25,521 | 24,143 | 1,378 | 13,537 | 3,554 | 1,652 | 55 | 1,395 | 6,879 | 11,983 | 18,862 |
| A84 | Revest Heian | 24,560 | 22,877 | 1,682 | 12,393 | 3,697 | 1,403 | 38 | 894 | 6,359 | 12,167 | 18,526 |
| A85 | Vendir Hamaotsu Ekimae | 29,675 | 27,732 | 1,943 | 14,857 | 4,962 | 1,950 | 62 | 924 | 6,958 | 14,818 | 21,776 |
| A86 | Salvo Sala | 23,253 | 22,345 | 908 | 11,523 | 3,147 | 1,572 | 43 | 1,315 | 5,444 | 11,730 | 17,174 |
| A87 | Excellente Kagurazaka | 16,934 | 16,325 | 609 | 8,230 | 2,181 | 778 | 26 | 1,049 | 4,194 | 8,704 | 12,899 |
| A88 | Luna Court Edobori | 19,122 | 18,182 | 940 | 10,243 | 2,912 | 1,175 | 33 | 1,057 | 5,064 | 8,879 | 13,943 |
| A89 | Winntage Kobe Motomachi | 22,200 | 21,845 | 354 | 11,597 | 2,529 | 1,587 | 41 | 1,633 | 5,805 | 10,603 | 16,408 |
| A90 | Queen's Court Fukuzumi | 16,248 | 15,786 | 461 | 6,643 | 1,852 | 761 | 23 | 811 | 3,195 | 9,604 | 12,799 |
| A91 | Corp Higashinotoin | 16,872 | 16,210 | 662 | 7,717 | 2,164 | 905 | 29 | 827 | 3,790 | 9,154 | 12,944 |
| A92 | Belair Oimachi | 13,875 | 13,230 | 645 | 6,785 | 2,044 | 661 | 20 | 1,383 | 2,675 | 7,089 | 9,764 |
| A93 | Siete Minami-Tsukaguchi | 16,217 | 15,368 | 849 | 8,356 | 2,768 | 983 | 28 | 1,335 | 3,240 | 7,861 | 11,101 |
| A94 | Prime Life Sannomiya Isogami Koen | 14,360 | 13,929 | 431 | 6,539 | 1,588 | 846 | 22 | 655 | 3,426 | 7,821 | 11,247 |

| Property No. | Property Name | Rental revenue | | | Leasing-related expenses (ii) | Facility management fee | Tax and other public charges | Insurance expenses | Other expenses | Depreciation expenses (iii) | Profit and Loss (i)-(ii) | NOI ((i)-(ii)+(iii)) |
|--------------|--|----------------|------------------------|--------------|-------------------------------|-------------------------|------------------------------|--------------------|----------------|-----------------------------|--------------------------|----------------------|
| | | (i) | Rent, common area fees | Other income | | | | | | | | |
| A95 | HERMITAGE NANBA WEST | 15,512 | 14,533 | 979 | 7,585 | 2,027 | 1,018 | 26 | 1,115 | 3,398 | 7,927 | 11,325 |
| A96 | Century Park Shinkawa 1-bankan | 18,070 | 15,122 | 2,947 | 7,798 | 2,397 | 885 | 38 | 644 | 3,833 | 10,271 | 14,105 |
| A97 | West Avenue | 11,510 | 11,234 | 275 | 6,082 | 1,751 | 561 | 21 | 813 | 2,935 | 5,427 | 8,363 |
| A98 | Little River Honmachibashi | 12,758 | 12,677 | 80 | 7,070 | 2,256 | 942 | 23 | 1,087 | 2,760 | 5,687 | 8,448 |
| A99 | Prime Life Mikage | 11,980 | 11,908 | 72 | 6,200 | 1,568 | 761 | 19 | 891 | 2,960 | 5,779 | 8,740 |
| B8 | Kindai Kagakusha Building | 35,405 | 31,481 | 3,923 | 24,536 | 8,851 | 4,403 | 69 | 1,002 | 10,208 | 10,869 | 21,077 |
| B9 | Shinjuku Island | (Note1) | (Note1) | (Note1) | (Note1) | (Note1) | (Note1) | (Note1) | (Note1) | (Note1) | (Note1) | (Note1) |
| B14 | Lexington Plaza Nishigotanda | 138,450 | 121,650 | 16,800 | 70,112 | 29,615 | 12,732 | 184 | 1,175 | 26,403 | 68,338 | 94,742 |
| B15 | Cross Square NAKANO | 32,309 | 26,592 | 5,717 | 15,737 | 7,005 | 3,851 | 79 | 991 | 3,810 | 16,572 | 20,382 |
| B16 | Ohki Aoba Building | 40,397 | 32,159 | 8,237 | 24,168 | 11,433 | 4,016 | 97 | 840 | 7,780 | 16,228 | 24,009 |
| B17 | Lexington Plaza Hachiman | 167,597 | 131,345 | 36,252 | 85,111 | 51,838 | 11,554 | 155 | 756 | 20,805 | 82,486 | 103,292 |
| B18 | AEON TOWN Sukagawa | 142,505 | 142,505 | - | 94,252 | 56,124 | 7,876 | 192 | 621 | 29,438 | 48,252 | 77,690 |
| C1 | Times Kanda-Sudacho 4th | 2,453 | 2,453 | - | 253 | - | 252 | - | - | 1 | 2,200 | 2,201 |
| D1 | Hotel MyStays Kanda | 104,832 | 104,832 | - | 16,162 | - | - | 71 | 504 | 15,585 | 88,669 | 104,255 |
| D2 | Hotel MyStays Asakusa | 108,407 | 108,407 | - | 17,288 | - | - | 35 | 511 | 16,741 | 91,119 | 107,860 |
| D3 | Hotel MyStays Kyoto-Shijo (Note2) | 310,661 | 310,661 | - | 42,276 | - | - | 196 | 462 | 41,617 | 268,384 | 310,002 |
| D4 | MyStays Shin-Urayasu Conference Center (Note2) | 217,607 | 217,607 | - | 37,358 | - | - | 176 | 461 | 36,720 | 180,249 | 216,969 |
| D5 | Hotel MyStays Maihama (Note2) | 166,812 | 166,812 | - | 32,068 | - | - | 86 | 462 | 31,519 | 134,744 | 166,263 |
| D6 | Hotel Vista Premio Dojima (Note2) | 160,910 | 160,910 | - | 40,797 | 7,501 | - | 243 | 465 | 32,587 | 120,113 | 152,700 |
| D7 | Hotel MyStays Nagoya-Sakae (Note2) | 185,561 | 185,561 | - | 55,244 | 15,686 | - | 210 | 464 | 38,883 | 130,317 | 169,200 |
| D8 | Hotel MyStays Sakaisuji-Honmachi (Note2) | 123,501 | 123,501 | - | 17,815 | - | - | 94 | 461 | 17,259 | 105,685 | 122,945 |
| D9 | Hotel MyStays Yokohama (Note2) | 124,297 | 124,297 | - | 21,569 | - | - | 172 | 462 | 20,934 | 102,728 | 123,662 |
| D10 | Hotel MyStays Nippori (Note2) | 72,782 | 72,782 | - | 14,178 | - | - | 52 | 461 | 13,665 | 58,603 | 72,268 |
| D11 | Hotel MyStays Fukuoka-Tenjin-Minami (Note2) | 90,326 | 90,326 | - | 12,843 | - | - | 84 | 461 | 12,298 | 77,482 | 89,780 |
| D12 | Flexstay Inn Iidabashi (Note2) | 55,564 | 55,564 | - | 8,314 | - | - | 80 | 461 | 7,772 | 47,249 | 55,022 |
| D13 | Hotel MyStays Ueno Inaricho (Note2) | 50,423 | 50,423 | - | 11,838 | - | - | 38 | 461 | 11,338 | 38,585 | 49,923 |
| D14 | Flexstay Inn Shinagawa (Note2) | 44,932 | 44,932 | - | 6,348 | - | - | 31 | 461 | 5,855 | 38,584 | 44,439 |
| D15 | Flexstay Inn Tokiwadai (Note2) | 57,136 | 57,136 | - | 6,295 | - | - | 72 | 461 | 5,761 | 50,841 | 56,603 |
| D16 | Flexstay Inn Sugamo (Note2) | 50,354 | 50,354 | - | 10,601 | - | - | 58 | 461 | 10,081 | 39,752 | 49,834 |
| D17 | Hotel MyStays Otemae (Note2) | 74,450 | 74,450 | - | 8,735 | - | - | 98 | 461 | 8,175 | 65,715 | 73,890 |
| D18 | Flexstay Inn Kiyosumi Shirakawa (Note2) | 36,629 | 36,629 | - | 7,036 | - | - | 69 | 461 | 6,505 | 29,593 | 36,098 |
| D19 | Flexstay Inn Nakanobu P1 (Note2) | 21,911 | 21,911 | - | 4,062 | - | - | 22 | 461 | 3,578 | 17,848 | 21,427 |
| D20 | Flexstay Inn Nakanobu P2 (Note2) | 12,157 | 12,157 | - | 1,924 | - | - | 13 | 461 | 1,450 | 10,232 | 11,683 |
| | Total | 4,610,717 | 4,408,874 | 201,843 | 1,586,854 | 460,196 | 163,789 | 6,084 | 119,524 | 837,259 | 3,023,863 | 3,861,122 |

(Note 1) Not disclosed because the consent of the tenant was not obtained.

(Note 2) These eighteen properties were acquired as of July 17, 2014, the operation period of which is from July 17, 2014 to December 31, 2014.

(3) Tenant Summary

a Summary of lease conditions by property

(As of December 31, 2014)

| Property No | Property Name | Leasable Area (m ²) (Note 1) | Leased Area (m ²) (Note 2) | Leasable Units (units) (Note 3) | Leased Units (units) (Note 4) | Number of tenants | Tenants (Note 5) | Rental | Ratio of Rental Revenue (%) | Type of Lease (Note 7) |
|-------------|--------------------------------------|--|--|---------------------------------------|-------------------------------------|-------------------|--|---|-----------------------------|---------------------------|
| | | | | | | | | Revenue (Thousands of yen) (Note 6) | | |
| A26 | Nisshin Palacestage Daitabashi | 1,771.13 | 1,594.14 | 98 | 88 | 1 | Best Property Corporation | 38,666 | 0.8 | Pass through master lease |
| A27 | Nisshin Palacestage Higashi-Nagasaki | 2,681.94 | 2,583.97 | 60 | 58 | 1 | Best Property Corporation | 45,828 | 1.0 | Pass through master lease |
| A28 | Growth Maison Gotanda | 1,051.50 | 1,051.50 | 48 | 48 | 1 | Pacific Development & Management Co., Ltd | 27,376 | 0.6 | Pass through master lease |
| A29 | Growth Maison Kameido | 1,367.96 | 1,179.56 | 66 | 57 | 1 | Mitsui Home Estate Co., Ltd. | 30,410 | 0.7 | Pass through master lease |
| A30 | Emerald House | 2,152.31 | 2,108.79 | 96 | 94 | 1 | Tokyo Gakusei Life Co., Ltd. | 41,741 | 0.9 | Pass through master lease |
| A31 | Harmonie Ochanomizu | 1,748.24 | 1,635.36 | 65 | 61 | 1 | Pacific Development & Management Co., Ltd. | 35,263 | 0.8 | Pass through master lease |
| A32 | Suncrest Shakujii-Koen | 3,029.16 | 2,937.72 | 29 | 28 | 1 | Mitsui Home Estate Co., Ltd. | 36,344 | 0.8 | Pass through master lease |
| A33 | Growth Maison Shin-Yokohama | 1,858.44 | 1,776.08 | 68 | 65 | 1 | Pacific Development & Management Co., Ltd | 33,317 | 0.7 | Pass through master lease |
| A34 | Belle Face Ueno-Okachimachi | 1,351.11 | 1,328.77 | 64 | 63 | 1 | Mainichicomnet Co., Ltd. | 30,191 | 0.7 | Pass through master lease |
| A35 | Grand Rire Kameido | 1,562.26 | 1,562.26 | 72 | 72 | 1 | J.S.B. Co., Ltd. | 26,619 | 0.6 | Fixed rent master lease |
| A36 | Growth Maison Ikebukuro | 952.89 | 862.17 | 42 | 38 | 1 | Pacific Development & Management Co., Ltd | 24,272 | 0.5 | Pass through master lease |
| A37 | Growth Maison Yoga | 1,015.34 | 963.82 | 39 | 37 | 1 | Mitsui Home Estate Co., Ltd. | 21,746 | 0.5 | Pass through master lease |
| A38 | Route Tachikawa | 1,368.57 | 1,322.13 | 24 | 23 | 1 | Pacific Development & Management Co., Ltd | 20,942 | 0.5 | Pass through master lease |
| A39 | Shibuya-Honmachi Mansion | 1,167.50 | 1,065.70 | 25 | 22 | 1 | Pacific Development & Management Co., Ltd | 19,947 | 0.4 | Pass through master lease |
| A40 | City Heights Kinuta | 1,235.93 | 1,235.93 | 19 | 19 | 1 | Mitsui Home Estate Co., Ltd. | 17,664 | 0.4 | Pass through master lease |
| A41 | Acseeds Tower Kawaguchi-Namiki | 1,210.74 | 1,041.14 | 57 | 49 | 1 | Access Group, Inc. | 23,651 | 0.5 | Pass through master lease |
| A42 | Capital Heights Kagurazaka | 1,126.65 | 1,032.23 | 26 | 23 | 1 | Mitsui Home Estate Co., Ltd. | 18,249 | 0.4 | Pass through master lease |
| A43 | College Square Machida | 1,047.75 | 1,047.75 | 62 | 62 | 1 | Mainichicomnet Co., Ltd. | 18,268 | 0.4 | Fixed rent master lease |
| A44 | Belair Meguro | 557.05 | 490.69 | 25 | 22 | 1 | Pacific Development & Management Co., Ltd | 16,195 | 0.4 | Pass through master lease |
| A45 | Wacore Tsunashima I | 907.46 | 816.18 | 50 | 45 | 1 | Pacific Development & Management Co., Ltd | 18,002 | 0.4 | Pass through master lease |
| A46 | Foros Nakamurabashi | 815.77 | 724.13 | 37 | 33 | 1 | Mitsui Home Estate Co., Ltd. | 17,954 | 0.4 | Pass through master lease |
| A47 | Growth Maison Kaijin | 2,040.27 | 1,815.94 | 34 | 30 | 1 | Mitsui Home Estate Co., Ltd. | 21,294 | 0.5 | Pass through master lease |
| A48 | College Square Machiya | 871.35 | 871.35 | 43 | 43 | 1 | Mainichicomnet Co., Ltd. | 14,706 | 0.3 | Fixed rent master lease |
| A51 | City House Tokyo Shinbashi | 3,364.00 | 3,216.68 | 86 | 82 | 1 | Mitsui Home Estate Co., Ltd. | 88,383 | 1.9 | Pass through master lease |

| Property No | Property Name | Leasable Area (m ²) (Note 1) | Leased Area (m ²) (Note 2) | Leasable Units (units) (Note 3) | Leased Units (units) (Note 4) | Number of tenants | Tenants (Note 5) | Rental | Ratio of Rental Revenue (%) | Type of Lease (Note 7) |
|-------------|-------------------------------|--|--|---------------------------------------|-------------------------------------|-------------------|---|---|-----------------------------|---------------------------|
| | | | | | | | | Revenue (Thousands of yen) (Note 6) | | |
| A52 | Winbell Kagurazaka | 4,032.70 | 4,032.70 | 118 | 118 | 1 | Mitsui Home Estate Co., Ltd. | 103,227 | 2.2 | Pass through master lease |
| A53 | Nishiwaseda Crescent Mansion | 4,310.77 | 3,901.52 | 69 | 63 | 1 | Pacific Development & Management Co., Ltd | 68,082 | 1.5 | Pass through master lease |
| A54 | Lexington Square Akebonobashi | 1,987.88 | 1,765.25 | 88 | 78 | 1 | Mitsui Home Estate Co., Ltd. | 45,511 | 1.0 | Pass through master lease |
| A56 | Casa Eremitaggio | 1,197.19 | 1,091.45 | 17 | 14 | 1 | Pacific Development & Management Co., Ltd | 30,380 | 0.7 | Pass through master lease |
| A59 | Towa City Coop Shinotsuka II | 1,627.13 | 1,485.46 | 58 | 53 | 1 | Mitsui Home Estate Co., Ltd. | 33,307 | 0.7 | Pass through master lease |
| A61 | Bichsel Musashiseki | 1,220.24 | 1,047.41 | 70 | 60 | 1 | Mitsui Home Estate Co., Ltd. | 22,012 | 0.5 | Pass through master lease |
| A62 | Lexel Mansion Ueno Matsugaya | 1,969.45 | 1,907.04 | 29 | 28 | 1 | Pacific Development & Management Co., Ltd | 33,167 | 0.7 | Pass through master lease |
| A63 | Towa City Coop Sengencho | 3,426.36 | 2,748.43 | 154 | 123 | 1 | Pacific Development & Management Co., Ltd | 54,726 | 1.2 | Pass through master lease |
| A64 | Royal Park Omachi | 1,929.59 | 1,699.72 | 51 | 47 | 1 | One-Eyed Capital Advisers | 24,188 | 0.5 | Pass through master lease |
| A65 | Lexington Square Haginomachi | 1,528.58 | 1,528.58 | 39 | 39 | 1 | One-Eyed Capital Advisers | 18,428 | 0.4 | Pass through master lease |
| A66 | Visconti Kakuozan | 705.75 | 632.96 | 8 | 7 | 1 | Mitsui Home Estate Co., Ltd. | 11,318 | 0.2 | Pass through master lease |

| Property No | Property Name | Leasable Area (m ²) (Note 1) | Leased Area (m ²) (Note 2) | Leasable Units (units) (Note 3) | Leased Units (units) (Note 4) | Number of tenants | Tenants (Note 5) | Rental Revenue (Thousands of yen) (Note 6) | Ratio of Rental Revenue (%) | Type of Lease (Note 7) |
|-------------|-----------------------------------|--|--|---------------------------------------|-------------------------------------|-------------------|---|--|-----------------------------|--|
| A71 | Lexington Square Daitabashi | 1,430.64 | 1,218.10 | 43 | 37 | 1 | Nisshin Jyutaku Support K.K. | 27,913 | 0.6 | Pass through master lease |
| A72 | Lexington Square Honjo Azumabashi | 784.74 | 761.50 | 33 | 32 | 1 | Nisshin Jyutaku Support K.K. | 17,226 | 0.4 | Pass through master lease |
| A73 | AMS TOWER Minami 6-Jo | 4,460.56 | 3,731.37 | 120 | 99 | 1 | Big Service Co., Ltd. | 45,814 | 1.0 | Pass through master lease |
| A75 | Spacia Ebisu | 7,794.91 | 7,298.51 | 109 | 103 | 1 | Pacific Development & Management Co., Ltd | 187,027 | 4.1 | Pass through master lease |
| A76 | Neo Prominence | 3,574.70 | 3,358.15 | 52 | 48 | 1 | Goodworks Co., Ltd. | 61,481 | 1.3 | Pass through master lease |
| A77 | Invoice Shin-Kobe Residence | 2,773.71 | 2,607.22 | 81 | 76 | 1 | Sohgoh Real Estate | 48,843 | 1.1 | Pass through master lease |
| A78 | Cosmo Court Motomachi | 2,310.49 | 2,000.39 | 82 | 71 | 1 | Global Community Co., Ltd | 33,405 | 0.7 | Pass through master lease |
| A79 | Revest Honjin | 1,933.80 | 1,789.26 | 80 | 74 | 1 | Mininet, Inc | 29,805 | 0.6 | Pass through master lease |
| A80 | Revest Matsubara | 1,955.40 | 1,832.43 | 70 | 66 | 1 | Mininet, Inc | 27,735 | 0.6 | Pass through master lease |
| A81 | Sun Terrace Minami Ikebukuro | 898.70 | 827.75 | 38 | 35 | 1 | Goodworks Co., Ltd. | 20,277 | 0.4 | Pass through master lease |
| A82 | Alba Noritake Shinmachi | 1,731.68 | 1,635.28 | 64 | 60 | 1 | Mininet, Inc | 25,539 | 0.6 | Pass through master lease |
| A83 | Revest Meieki Minami | 1,634.60 | 1,560.02 | 61 | 58 | 1 | Mininet, Inc | 25,521 | 0.6 | Pass through master lease |
| A84 | Revest Heian | 1,554.03 | 1,554.03 | 40 | 40 | 1 | Mininet, Inc | 24,560 | 0.5 | Pass through master lease |
| A85 | Vendir Hamaotsu Ekimae | 2,670.66 | 2,332.27 | 81 | 70 | 1 | Mininet, Inc | 29,675 | 0.6 | Pass through master lease |
| A86 | Salvo Sala | 1,428.12 | 1,335.94 | 54 | 50 | 1 | Daygran, Inc. | 23,253 | 0.5 | Pass through master lease |
| A87 | Excellente Kagurazaka | 701.92 | 619.69 | 33 | 29 | 1 | Goodworks Co., Ltd. | 16,934 | 0.4 | Pass through master lease |
| A88 | Luna Court Edobori | 1,185.50 | 1,044.08 | 50 | 44 | 1 | Nihon Housing Co., Ltd. | 19,122 | 0.4 | Pass through master lease |
| A89 | Winntage Kobe Motomachi | 1,433.35 | 1,358.78 | 57 | 54 | 1 | Global Community Co., Ltd. | 22,200 | 0.5 | Pass through master lease |
| A90 | Queen's Court Fukuzumi | 765.18 | 707.77 | 25 | 23 | 1 | Goodworks Co., Ltd. | 16,248 | 0.4 | Pass through master lease |
| A91 | Corp Higashinotoin | 1,029.05 | 956.08 | 42 | 39 | 1 | Global Community Co., Ltd. | 16,872 | 0.4 | Pass through master lease |
| A92 | Belair Oimachi | 530.60 | 492.80 | 26 | 24 | 1 | Goodworks Co., Ltd. | 13,875 | 0.3 | Pass through master lease |
| A93 | Siete Minami-Tsukaguchi | 1,020.86 | 995.36 | 40 | 39 | 1 | Goodworks Co., Ltd. | 16,217 | 0.4 | Pass through master lease |
| A94 | Prime Life Sannomiya Isogami Koen | 789.12 | 764.46 | 32 | 31 | 1 | Global Community Co., Ltd. | 14,360 | 0.3 | Pass through master lease |
| A95 | HERMITAGE NANBA WEST | 992.76 | 992.76 | 21 | 21 | 1 | Daygran, Inc. | 15,512 | 0.3 | Pass through master lease |
| A96 | Century Park Shinkawa 1-bankan | 1,477.62 | 1,410.49 | 44 | 42 | 1 | Goodworks Co., Ltd. | 18,070 | 0.4 | Pass through master lease |
| A97 | West Avenue | 794.80 | 675.58 | 40 | 34 | 1 | Joint Property Co., Ltd. | 11,510 | 0.2 | Pass through master lease |
| A98 | Little River Honmachibashi | 974.81 | 914.15 | 31 | 29 | 1 | Goodworks Co., Ltd. | 12,758 | 0.3 | Pass through master lease |
| A99 | Prime Life Mikage | 761.18 | 710.18 | 28 | 26 | 1 | Global Community Co., Ltd. | 11,980 | 0.3 | Pass through master lease |
| B8 | Kindai Kagakusha Building | 1,451.54 | 1,451.54 | 13 | 13 | 1 | Sohgoh Real Estate | 35,405 | 0.8 | Pass through master lease |
| B9 | Shinjuku Island | 526.43 | 526.43 | 1 | 1 | 1 | (Note 8) | (Note 8) | (Note 8) | Direct variable rent lease (Note 9) |
| B14 | Lexington Plaza Nishigotanda | 6,033.58 | 6,033.58 | 11 | 11 | 8 | Community One Co., Ltd. | 138,450 | 3.0 | Variable rent lease (Note 10) |
| B15 | Cross Square NAKANO | 2,145.00 | 1,378.46 | 45 | 23 | 1 | Shin-ei Real Estate Business Co., Ltd. | 32,309 | 0.7 | Pass through master lease |
| B16 | Ohki Aoba Building | 2,178.41 | 2,178.41 | 13 | 13 | 1 | Tozai Asset Management Co., Ltd. | 40,397 | 0.9 | Fixed rent master lease |

| Property No | Property Name | Leasable Area (m ²) (Note 1) | Leased Area (m ²) (Note 2) | Leasable Units (units) (Note 3) | Leased Units (units) (Note 4) | Number of tenants | Tenants (Note 5) | Rental | Ratio of Rental Revenue (%) | Type of Lease (Note 7) |
|-------------|--------------------------|--|--|---------------------------------------|-------------------------------------|-------------------|------------------------------|---|-----------------------------|-----------------------------------|
| | | | | | | | | Revenue (Thousands of yen) (Note 6) | | |
| B17 | Lexington Plaza Hachiman | 8,419.15 | 8,419.15 | 18 | 18 | 1 | Tokyo Biso Kogyo Corporation | 167,597 | 3.6 | Pass through master lease |
| B18 | AEON TOWN Sukagawa | 18,440.58 | 18,440.58 | 1 | 1 | 1 | Aeon Town Co., Ltd. | 142,505 | 3.1 | Fixed rent master lease |
| C1 | Times Kanda-Sudacho 4-th | 81.04 | 81.04 | 1 | 1 | 1 | Times24. Co., Ltd. | 2,453 | 0.1 | Direct fixed rent lease (Note 11) |

| Property No | Property Name | Leasable Area (m ²) (Note 1) | Leased Area (m ²) (Note 2) | Leasable Units (units) (Note 3) | Leased Units (units) (Note 4) | Number of Tenants | Tenants (Note 5) | Rental Revenue (Thousands of yen) (Note 6) | Ratio of Rental Revenue (%) | Type of Lease (Note 7) |
|-------------|--|--|--|---------------------------------------|-------------------------------------|-------------------|--------------------------------------|--|-----------------------------|--|
| D1 | Hotel MyStays Kanda | 2,585.72 | 2,585.72 | 126 | 126 | 1 | MyStays Hotel Management Co., Ltd. | 104,832 | 2.3 | Fixed rent plus variable rent type operation (Note 12) |
| D2 | Hotel MyStays Asakusa | 3,327.38 | 3,327.38 | 160 | 160 | 1 | MyStays Hotel Management Co., Ltd. | 108,407 | 2.4 | Fixed rent plus variable rent type operation (Note 12) |
| D3 | Hotel MyStays Kyoto-Shijo | 7,241.51 | 7,241.51 | 224 | 224 | 1 | MyStays Hotel Management Co., Ltd. | 310,661 | 6.7 | Fixed rent plus variable rent type operation (Note 12) |
| D4 | MyStays Shin-Urayasu Conference Center | 6,232.30 | 6,232.30 | 175 | 175 | 1 | MyStays Hotel Management Co., Ltd. | 217,607 | 4.7 | Fixed rent plus variable rent type operation (Note 12) |
| D5 | Hotel MyStays Maihama | 2,456.36 | 2,456.36 | 90 | 90 | 1 | MyStays Hotel Management Co., Ltd. | 166,812 | 3.6 | Fixed rent plus variable rent type operation (Note 12) |
| D6 | Hotel Vista Premio Dojima | 9,445.32 | 9,445.32 | 141 | 141 | 1 | MGH Master Lease Kabusiki Kaisha | 160,910 | 3.5 | Fixed rent, variable rent plus pass through master lease (Note 13) |
| D7 | Hotel MyStays Nagoya-Sakae | 9,064.71 | 9,064.71 | 270 | 270 | 1 | Yugen Kaisha Nagoya Hotel Management | 185,561 | 4.0 | Fixed rent plus variable rent type operation (Note 12) |
| D8 | Hotel MyStays Sakaisuji-Honmachi | 4,188.83 | 4,188.83 | 190 | 190 | 1 | MyStays Hotel Management Co., Ltd. | 123,501 | 2.7 | Fixed rent plus variable rent type operation (Note 12) |
| D9 | Hotel MyStays Yokohama | 7,379.43 | 7,379.43 | 190 | 190 | 1 | MyStays Hotel Management Co., Ltd. | 124,297 | 2.7 | Fixed rent plus variable rent type operation (Note 12) |
| D10 | Hotel MyStays Nippori | 1,719.29 | 1,719.29 | 93 | 93 | 1 | MyStays Hotel Management Co., Ltd. | 72,782 | 1.6 | Fixed rent plus variable rent type operation (Note 12) |
| D11 | Hotel MyStays Fukuoka-Tenjin-Minami | 3,412.71 | 3,412.71 | 177 | 177 | 1 | MyStays Hotel Management Co., Ltd. | 90,326 | 2.0 | Fixed rent plus variable rent type operation (Note 12) |
| D12 | Flexstay Inn Iidabashi | 2,953.38 | 2,953.38 | 59 | 59 | 1 | MyStays Hotel Management Co., Ltd. | 55,564 | 1.2 | Fixed rent plus variable rent type operation (Note 12) |
| D13 | Hotel MyStays Ueno Inaricho | 1,150.76 | 1,150.76 | 72 | 72 | 1 | MyStays Hotel Management Co., Ltd. | 50,423 | 1.1 | Fixed rent plus variable rent type operation (Note 12) |
| D14 | Flexstay Inn Shinagawa | 1,134.52 | 1,134.52 | 55 | 55 | 1 | MyStays Hotel Management Co., Ltd. | 44,932 | 1.0 | Fixed rent plus variable rent type operation (Note 12) |
| D15 | Flexstay Inn Tokiwadai | 2,539.75 | 2,539.75 | 129 | 129 | 1 | MyStays Hotel Management Co., Ltd. | 57,136 | 1.2 | Fixed rent plus variable rent type operation (Note 12) |
| D16 | Flexstay Inn Sugamo | 2,089.86 | 2,089.86 | 104 | 104 | 1 | MyStays Hotel Management Co., Ltd. | 50,354 | 1.1 | Fixed rent plus variable rent type operation (Note 12) |
| D17 | Hotel MyStays Ottemae | 4,956.66 | 4,956.66 | 110 | 110 | 1 | MyStays Hotel Management Co., Ltd. | 74,450 | 1.6 | Fixed rent plus variable rent type operation (Note 12) |
| D18 | Flexstay Inn Kiyosumi Shirakawa | 2,673.64 | 2,673.64 | 55 | 55 | 1 | MyStays Hotel Management Co., Ltd. | 36,629 | 0.8 | Fixed rent plus variable rent type operation (Note 12) |

| Property No | Property Name | Leasable Area (m ²) (Note 1) | Leased Area (m ²) (Note 2) | Leasable Units (units) (Note 3) | Leased Units (units) (Note 4) | Number of Tenants | Tenants (Note 5) | Rental | Ratio of Rental Revenue (%) | Type of Lease (Note 7) |
|-------------|--------------------------|--|--|---------------------------------------|-------------------------------------|-------------------|------------------------------------|---|-----------------------------|--|
| | | | | | | | | Revenue (Thousands of yen) (Note 6) | | |
| D19 | Flexstay Inn Nakanobu P1 | 770.56 | 770.56 | 39 | 39 | 1 | MyStays Hotel Management Co., Ltd. | 21,911 | 0.5 | Fixed rent plus variable rent type operation (Note 12) |
| D20 | Flexstay Inn Nakanobu P2 | 391.49 | 391.49 | 22 | 22 | 1 | MyStays Hotel Management Co., Ltd. | 12,157 | 0.3 | Fixed rent plus variable rent type operation (Note 12) |
| Total | | 224,574.36 | 215,812.28 | 5,997 | 5,708 | 98 | — | 4,610,717 | 100.0 | — |

(Note 1) “Leasable Area” is based on the portion of each property or property in trust owned by INV and leasable as residential, office, retail etc.

(Note 2) “Leased Area” is the portion of leasable area for which there is actually a lease agreement and is based on the area indicated in the lease agreements.

(Note 3) “Leasable Units” is the number of units possible to lease for each property or property in trust.

(Note 4) “Leased Units” is the number of units actually leased to tenants and end-tenants based on lease agreements.

(Note 5) “Tenant” is the master lessee where there is a master lease agreement between INV or the trustee and a master lease company, and the principal lessee where there are direct lease agreements with end-tenants.

(Note 6) “Rental Revenue” is the aggregate rent revenue for each property for the fiscal period, rounded down to the nearest thousand yen.

(Note 7) Pursuant to pass through master lease agreements between the master lease company and the trustee, the master lease company pays the amount paid by end-tenants pursuant to subleases. Pursuant to fixed rent master lease agreements, the master lease company pays fixed rent.

(Note 8) Not disclosed because the consent of the tenant was not obtained.

(Note 9) A direct lease agreement has been entered into between INV and the tenant (without using a master lease company), and rent is received from the end tenant pursuant thereto.

(Note 10) A direct lease agreement has been entered into between the trustee and the tenant (without using a master lease company), and rent is received from the end tenant pursuant thereto.

(Note 11) A direct lease agreement has been entered into between INV and the tenant (without using a master lease company).The lease is fixed rent regardless of use or occupancy conditions.

(Note 12) A direct lease agreement has been entered into between INV and the tenant. The lease is a fixed rent plus variable rent type operation where, in addition to the fixed rent, a variable rent is established that allows the total rent to be varied based on the GOP (Gross Operating Profit) attained under the hotel operations of the tenant.

(Note 13) The lease is fixed rent, variable rent plus pass-through master lease type operation where the pass-through rent the tenant receives from the sub-tenant is added to the fixed rent and the variable rent based on the GOP attained under the operations of the tenant.

b Occupancy trend

(Unit: %)

| Property No. | Property Name | 18 th Fiscal Period | 19 th Fiscal Period | 20 th Fiscal Period | 21 st Fiscal Period | 22 nd Fiscal Period | 23 rd Fiscal Period | | | | | |
|--------------|--------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | | As of the end of Jun. 2012 | As of the end of Dec. 2012 | As of the end of Jun. 2013 | As of the end of Dec. 2013 | As of the end of Jun. 2014 | As of the end of Jul. 2014 | As of the end of Aug. 2014 | As of the end of Sept. 2014 | As of the end of Oct. 2014 | As of the end of Nov. 2014 | As of the end of Dec. 2014 |
| A26 | Nisshin Palacestage Daitabashi | 95.8 | 96.9 | 98.0 | 95.0 | 94.1 | 90.1 | 92.0 | 91.0 | 91.9 | 91.0 | 90.0 |
| A27 | Nisshin Palacestage Higashi-Nagasaki | 97.8 | 90.3 | 98.4 | 97.4 | 97.7 | 95.8 | 97.2 | 96.3 | 93.3 | 95.1 | 96.3 |
| A28 | Growth Maison Gotanda | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| A29 | Growth Maison Kameido | 95.4 | 94.0 | 94.0 | 89.3 | 89.3 | 90.8 | 90.8 | 84.7 | 86.2 | 87.7 | 86.2 |
| A30 | Emerald House | 100.0 | 99.0 | 100.0 | 98.9 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 99.0 | 98.0 |
| A31 | Harmonie Ochanomizu | 96.1 | 100.0 | 88.2 | 97.5 | 91.2 | 87.1 | 87.1 | 81.8 | 83.1 | 87.0 | 93.5 |
| A32 | Suncrest Shakujii-Koen | 97.1 | 94.7 | 95.6 | 95.3 | 97.0 | 97.0 | 97.0 | 97.0 | 97.0 | 97.0 | 97.0 |
| A33 | Growth Maison Shin-Yokohama | 94.1 | 98.5 | 97.1 | 94.1 | 86.9 | 86.9 | 89.7 | 91.2 | 94.0 | 95.6 | 95.6 |
| A34 | Belle Face Ueno-Okachimachi | 100.0 | 98.4 | 100.0 | 100.0 | 98.3 | 98.3 | 100.0 | 100.0 | 100.0 | 98.3 | 98.3 |
| A35 | Grand Rire Kameido | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| A36 | Growth Maison Ikebukuro | 90.5 | 90.6 | 88.2 | 97.6 | 90.4 | 88.0 | 90.4 | 90.4 | 95.3 | 95.3 | 90.5 |
| A37 | Growth Maison Yoga | 92.4 | 92.2 | 97.3 | 100.0 | 97.3 | 89.7 | 92.4 | 92.4 | 92.4 | 92.4 | 94.9 |
| A38 | Route Tachikawa | 67.9 | 100.0 | 76.7 | 83.5 | 96.6 | 100.0 | 96.6 | 96.6 | 96.6 | 96.6 | 96.6 |
| A39 | Shibuya-Honmachi Mansion | 96.5 | 100.0 | 80.8 | 96.4 | 100.0 | 100.0 | 98.1 | 95.9 | 94.0 | 89.3 | 91.3 |
| A40 | City Heights Kinuta | 94.6 | 89.2 | 94.6 | 94.6 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| A41 | Aceeds Tower Kawaguchi-Namiki | 94.8 | 100.0 | 93.0 | 96.5 | 93.0 | 91.2 | 92.9 | 91.2 | 85.9 | 82.4 | 86.0 |
| A42 | Capital Heights Kagurazaka | 84.4 | 92.5 | 97.2 | 91.0 | 90.5 | 94.4 | 97.2 | 94.4 | 94.4 | 94.4 | 91.6 |
| A43 | College Square Machida | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| A44 | Belair Meguro | 87.9 | 92.1 | 96.0 | 92.1 | 100.0 | 100.0 | 100.0 | 100.0 | 92.0 | 87.9 | 88.1 |
| A45 | Wacore Tsunashima I | 84.2 | 96.1 | 90.0 | 82.1 | 94.1 | 94.1 | 96.0 | 94.1 | 92.1 | 89.9 | 89.9 |
| A46 | Foros Nakamurabashi | 92.6 | 100.0 | 92.0 | 94.5 | 100.0 | 97.5 | 97.5 | 95.1 | 95.1 | 92.6 | 88.8 |
| A47 | Growth Maison Kaijin | 96.7 | 97.1 | 94.4 | 100.0 | 90.0 | 90.0 | 92.6 | 92.8 | 91.9 | 91.9 | 89.0 |
| A48 | College Square Machiya | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| A51 | City House Tokyo Shinbashi | 93.0 | 90.8 | 100.0 | 100.0 | 94.5 | 93.1 | 94.8 | 92.3 | 93.4 | 94.9 | 95.6 |
| A52 | Winbell Kagurazaka | 93.3 | 96.4 | 96.9 | 96.5 | 98.6 | 98.6 | 98.6 | 97.1 | 93.7 | 97.3 | 100.0 |
| A53 | Nishiwaseda Crescent Mansion | 88.8 | 100.0 | 98.5 | 94.8 | 92.5 | 90.9 | 90.9 | 89.4 | 90.9 | 90.5 | 90.5 |
| A54 | Lexington Square Akebonobashi | 93.4 | 93.1 | 94.4 | 89.7 | 93.3 | 90.9 | 88.7 | 88.7 | 88.7 | 87.6 | 88.8 |
| A56 | Casa Eremitaggio | 90.0 | 92.9 | 90.0 | 90.0 | 97.0 | 97.0 | 97.0 | 94.1 | 94.1 | 94.1 | 91.2 |
| A59 | Towa City Shinotsuka II Coop | 92.6 | 97.3 | 94.9 | 89.9 | 92.8 | 92.8 | 92.8 | 92.8 | 92.8 | 92.8 | 91.3 |
| A61 | Bichsel Musashiseki | 97.1 | 97.1 | 95.7 | 92.9 | 94.3 | 91.4 | 91.4 | 88.6 | 88.6 | 88.7 | 85.8 |
| A62 | Lexel Mansion Ueno Matsugaya | 96.3 | 93.2 | 86.8 | 100.0 | 96.3 | 96.3 | 96.4 | 93.2 | 93.2 | 90.1 | 96.8 |
| A63 | Towa City Coop Sengencho | 89.8 | 94.3 | 94.9 | 90.5 | 89.1 | 87.2 | 83.4 | 83.4 | 80.8 | 80.2 | 80.2 |
| A64 | Royal Park Omachi | 93.2 | 96.4 | 100.0 | 95.0 | 90.6 | 90.6 | 90.6 | 92.3 | 93.9 | 93.9 | 88.1 |
| A65 | Lexington Square Hagnomachi | 100.0 | 100.0 | 100.0 | 97.4 | 97.4 | 100.0 | 94.8 | 100.0 | 100.0 | 100.0 | 100.0 |
| A66 | Visconti Kakuozan | 100.0 | 88.6 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 89.7 | 100.0 | 100.0 | 89.7 |
| A71 | Lexington Square Daitabashi | 97.9 | 95.1 | 95.1 | 93.7 | 90.9 | 90.9 | 85.1 | 80.9 | 80.9 | 80.9 | 85.1 |
| A72 | Lexington Square Honjo Azumabashi | 90.9 | 100.0 | 93.9 | 100.0 | 96.9 | 87.8 | 84.8 | 87.8 | 94.1 | 97.0 | 97.0 |
| A73 | AMS TOWER Minami 6-Jo | 88.6 | 90.0 | 88.2 | 97.1 | 91.8 | 87.9 | 87.9 | 85.4 | 82.5 | 86.9 | 83.7 |
| A75 | Spacia Ebisu | 97.1 | 92.2 | 90.2 | 89.2 | 90.0 | 92.7 | 90.1 | 89.9 | 91.5 | 89.4 | 93.6 |
| A76 | Neo Prominence | — | 94.8 | 96.6 | 96.6 | 88.9 | 88.9 | 90.5 | 97.3 | 97.3 | 93.9 | 93.9 |
| A77 | Invoice Shin-Kobe Residence | — | 99.1 | 98.6 | 95.4 | 94.4 | 96.8 | 96.8 | 97.7 | 96.8 | 97.3 | 94.0 |
| A78 | Cosmo Court Motomachi | — | 97.5 | 92.7 | 98.7 | 90.4 | 89.1 | 87.8 | 87.8 | 85.3 | 84.1 | 86.6 |
| A79 | Revest Honjin | — | 93.8 | 98.8 | 93.7 | 95.0 | 92.5 | 90.0 | 92.5 | 92.5 | 93.7 | 92.5 |
| A80 | Revest Matsubara | — | 91.9 | 95.7 | 98.8 | 91.2 | 89.4 | 89.4 | 89.4 | 92.4 | 93.7 | 93.7 |
| A81 | Sun Terrace Minami Ikebukuro | — | 100.0 | 97.4 | 97.4 | 89.5 | 86.8 | 81.6 | 81.6 | 89.5 | 86.8 | 92.1 |
| A82 | Alba Noritake Shimomachi | — | 98.6 | 93.8 | 96.5 | 91.7 | 89.6 | 89.6 | 90.9 | 90.9 | 91.6 | 94.4 |
| A83 | Revest Meieki Minami | — | 97.0 | 100.0 | 98.5 | 93.6 | 98.5 | 96.6 | 98.5 | 97.0 | 93.9 | 95.4 |
| A84 | Revest Heian | — | 95.2 | 100.0 | 98.4 | 98.4 | 98.4 | 98.4 | 96.8 | 96.8 | 98.4 | 100.0 |

| Property No. | Property Name | 18 th Fiscal Period | 19 th Fiscal Period | 20 th Fiscal Period | 21 st Fiscal Period | 22 nd Fiscal Period | 23 rd Fiscal Period | | | | | |
|--------------|-------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|----------------------------|-----------------------------|----------------------------|----------------------------|----------------------------|
| | | As of the end of Jun.2012 | As of the end of Dec. 2012 | As of the end of Jun. 2013 | As of the end of Dec. 2013 | As of the end of Jun. 2014 | As of the end of Jul. 2014 | As of the end of Aug. 2014 | As of the end of Sept. 2014 | As of the end of Oct. 2014 | As of the end of Nov. 2014 | As of the end of Dec. 2014 |
| A85 | Vendir Ekimae Hamaotsu | — | 93.3 | 95.4 | 100.0 | 94.2 | 91.8 | 89.6 | 89.3 | 86.0 | 86.0 | 87.3 |
| A86 | Salvo Sala | — | 89.9 | 98.0 | 96.7 | 91.5 | 91.0 | 93.7 | 95.2 | 93.5 | 93.5 | 93.5 |
| A87 | Excellente Kagurazaka | — | 100.0 | 97.1 | 91.2 | 97.1 | 97.1 | 94.1 | 88.3 | 88.3 | 85.4 | 88.3 |
| A88 | Luna Court Edobori | — | 96.0 | 98.0 | 98.0 | 88.1 | 88.1 | 86.1 | 84.1 | 86.1 | 90.1 | 88.1 |
| A89 | Wintage Motomachi Kobe | — | 98.2 | 94.9 | 86.0 | 91.1 | 89.3 | 91.2 | 93.1 | 94.8 | 92.9 | 94.8 |
| A90 | Queen's Court Fukuzumi | — | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 96.6 | 100.0 | 95.9 | 92.5 |
| A91 | Corp Higashinotoin | — | 100.0 | 97.7 | 95.1 | 90.3 | 90.3 | 90.3 | 92.8 | 95.2 | 95.2 | 92.9 |
| A92 | Belair Oimachi | — | 92.6 | 100.0 | 96.4 | 96.1 | 92.3 | 84.8 | 88.7 | 89.0 | 85.1 | 92.9 |
| A93 | Siete Minami-Tsukaguchi | — | 94.9 | 100.0 | 97.5 | 92.5 | 87.6 | 95.0 | 95.0 | 97.5 | 97.5 | 97.5 |

| Ptoprty No. | Property Name | 18 th Fiscal Period | 19 th Fiscal Period | 20 th Fiscal Period | 21 st Fiscal Period | 22 nd Fiscal Period | 22 nd Fiscal Period | | | | | |
|-------------|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------------|--------------------------|-------------------------|-------------------------|-------------------------|
| | | As of | As of | As of | As of | As of | As of | As of | As of | As of | As of | As of |
| | | the end of Jun. 2012 | the end of Dec. 2012 | the end of Jun. 2013 | the end of Dec. 2013 | the end of Jun. 2014 | the end of Jul. 2014 | the end of Aug. 2014 | the end of Sept. 2014 | the end of Oct. 2014 | the end of Nov. 2014 | the end of Dec. 2014 |
| A94 | Prime Life Sannomiya Isogami Koen | — | 100.0 | 100.0 | 93.8 | 100.0 | 96.9 | 96.9 | 96.9 | 96.9 | 96.9 | 96.9 |
| A95 | HERMITAGE NANBA WEST | — | 91.2 | 86.9 | 96.0 | 92.0 | 87.7 | 92.0 | 96.0 | 96.0 | 96.0 | 100.0 |
| A96 | Century Park Shinkawa 1-bankan | — | 100.0 | 90.9 | 97.7 | 100.0 | 100.0 | 97.7 | 100.0 | 95.4 | 97.7 | 95.5 |
| A97 | West Avenue | — | 90.0 | 82.5 | 90.0 | 85.0 | 85.0 | 80.0 | 82.5 | 82.5 | 85.0 | 85.0 |
| A98 | Little River Honmachibashi | — | 96.9 | 93.8 | 96.9 | 93.9 | 93.9 | 93.9 | 93.8 | 93.8 | 93.8 | 93.8 |
| A99 | Prime Life Mikage | — | 85.5 | 100.0 | 96.6 | 93.4 | 96.7 | 96.7 | 100.0 | 96.6 | 93.3 | 93.3 |
| B8 | Kindai Kagakusha Building | 85.5 | 100.0 | 100.0 | 100.0 | 95.0 | 95.0 | 95.0 | 95.0 | 100.0 | 100.0 | 100.0 |
| B9 | Shinjuku Island | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| B14 | Lexington Plaza Nishigotanda | 92.0 | 100.0 | 90.1 | 90.1 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| B15 | Cross Square NAKANO | 54.0 | 54.2 | 57.6 | 67.6 | 64.3 | 64.3 | 65.9 | 64.3 | 64.3 | 64.3 | 64.3 |
| B16 | Ohki Aoba Building | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| B17 | Lexington Plaza Hachiman | 94.6 | 94.6 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| B18 | AEON TOWN Sukagawa | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| C1 | Times Kanda-Sudacho 4th | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| C21 | Bon Sejour Chitose Funabashi | 100.0 | 100.0 | 100.0 | 100.0 | — | — | — | — | — | — | — |
| C22 | Bon Sejour Yotsugi | 100.0 | 100.0 | 100.0 | 100.0 | — | — | — | — | — | — | — |
| C23 | Bon Sejour Hino | 100.0 | 100.0 | 100.0 | 100.0 | — | — | — | — | — | — | — |
| C24 | Bon Sejour Musashi Shinjo | 100.0 | 100.0 | 100.0 | 100.0 | — | — | — | — | — | — | — |
| C25 | Bon Sejour Komaki | 100.0 | 100.0 | 100.0 | 100.0 | — | — | — | — | — | — | — |
| C26 | Bon Sejour Hadano Shibusawa | 100.0 | 100.0 | 100.0 | 100.0 | — | — | — | — | — | — | — |
| C27 | Bon Sejour Itami | 100.0 | 100.0 | 100.0 | 100.0 | — | — | — | — | — | — | — |
| D1 | Hotel MyStays Kanda | — | — | — | — | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D2 | Hotel MyStays Asakusa | — | — | — | — | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D3 | Hotel MyStays Kyoto-Shijo | — | — | — | — | — | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D4 | MyStays Shin-Urayasu Conference Center | — | — | — | — | — | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D5 | Hotel MyStays Maihama | — | — | — | — | — | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D6 | Hotel Vista Premio Dojima | — | — | — | — | — | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D7 | Hotel MyStays Nagoya-Sakae | — | — | — | — | — | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D8 | Hotel MyStays Sakaisuji-Honmachi | — | — | — | — | — | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D9 | Hotel MyStays Yokohama | — | — | — | — | — | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D10 | Hotel MyStays Nippori | — | — | — | — | — | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D11 | Hotel MyStays Fukuoka-Tenjin-Minami | — | — | — | — | — | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D12 | Flexstay Inn Iidabashi | — | — | — | — | — | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D13 | Hotel MyStays Ueno Inaricho | — | — | — | — | — | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D14 | Flexstay Inn Shinagawa | — | — | — | — | — | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D15 | Flexstay Inn Tokiwadai | — | — | — | — | — | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D16 | Flexstay Inn Sugamo | — | — | — | — | — | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D17 | Hotel MyStays Otemae | — | — | — | — | — | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D18 | Flexstay Inn Kiyosumi Shirakawa | — | — | — | — | — | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D19 | Flexstay Inn Nakanobu P1 | — | — | — | — | — | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| D20 | Flexstay Inn Nakanobu P2 | — | — | — | — | — | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | Total | 95.1 | 96.2 | 95.9 | 96.3 | 95.1 | 96.3 | 96.1 | 96.0 | 95.9 | 95.9 | 96.1 |

(Note) "Occupancy Rate" is computed by dividing the leased area by leasable area, and rounded to one decimal place.

[Distribution Policy]

INV conforms to the policies set out below with regards to cash distributions to unitholders or registered pledgees of investment units listed or recorded in the registry of unitholders at the end of each fiscal period.

a Distribution of Profits

Distributable amounts generated from management of INV's assets (hereinafter "distributable amounts") refers to the amount of profits calculated in conformity with the provisions of the Act Concerning Investment Trusts and Investment Corporations (hereinafter the "Act") or generally accepted accounting principles in Japan (net assets in the balance sheet as of the closing date of each fiscal period less unitholders' capital, retained earnings, and evaluation, currency translation, etc.) (Article 17, Item 1 of the Articles of Incorporation of INV).

INV determines the amount of distribution, which must be an amount that exceeds 90% of the amount of INV's distributable income as stipulated in Article 67, Item 15 (the Special Provisions of Taxation for Investment Corporations) of the Act on Special Measures Concerning Taxation in principle (hereinafter "distributable income") (or the relevant amount after modification if there is any modification to the calculation of the said amount due to revisions to the law, etc.) (However, the amount may not exceed the distributable amounts.). If, however, a deficiency account for tax purposes arises or income for tax purposes does not arise due to the carried-over deduction of a deficiency account, INV shall determine the amount of distribution on a rational basis. In addition, INV can accumulate reserves and allowances from the distributable income amount that are deemed to be necessary for maintaining its investment assets and improving or increasing the value of assets such as long-term reserve for maintenance, payment reserve, reserve for distribution, and other similar reserves, etc. (Article 17, Item 2 of the Articles of Incorporation of INV).

Any retained earnings not allocated for dividends will be managed based on INV's investment asset targets and policies (Article 17, Item 3 of the Articles of Incorporation of INV).

b Cash Distribution Exceeding Profits

In cases when the distributable amounts is less than 90% of distributable income, or when INV considers it appropriate taking into consideration the economic circumstances and the trends in the real estate market, the leasing market, the real estate investment and trust securities market, etc. or the impacts which acquisition of assets or the raising of funds will have on distribution amounts per one unit by INV, INV may, in accordance with the provisions under the Act, determine an additional amount to be distributed to the unitholders in cash as a refund of the investment over and above the distributable amount, with the upper limit of the additional amount being prescribed in rules of the Investment Trusts Association, Japan, based on the approved cash distribution statement in accordance with the Act. In this case, if such cash distributions do not satisfy the requirements for Special Provisions of Taxation for Investment Corporations, INV may distribute monies in an amount determined by INV for the purpose of satisfying those conditions (Article 17, Item 4 of the Articles of Incorporation of INV).

(a) Basic Policy

In addition to distribution of profits, INV may make distribution in excess of profits (hereinafter the "Excess Profit Distribution") to be determined each fiscal period, in accordance with the following basic policy.

(i) INV will consider making the Excess Profit Distribution in the event of a. or b. below, and, will, in principle, not make the Excess Profit Distribution in other circumstances.

a. To satisfy the requirements under the Special Taxation Measures Act applicable to INV, in case the distributable amount is less than 90% of distributable income.

b. To stabilize distributions in cases where the investment unit is to be diluted or significant expenses are to be recorded in connection with, among other things, the acquisition of assets or the raising of capital, and the distribution amount per one unit is expected to decrease temporarily, based on the distribution amount per one unit that assumes that the effects of such acquisition of assets or raising of funds contributed for the full period.

(ii) The Excess Profit Distribution amount will be no more than 60%(Note) of the depreciation expenses recognized on the last day of the fiscal period immediately preceding the fiscal period in which such distribution will be made.

(Note)Per the applicable standards set by the Investment Trusts Association of Japan, closed-end investment corporation may make the Excess Profit Distribution in the amount up to 60% of the depreciations expenses recognized

on the last day of the relevant fiscal period.

(iii) With respect to implementation of the Excess Profit Distribution and determination of the Excess Profit Distribution amount, INV is to carefully consider the following: (i) securing funds necessary to maintain the value, etc. of INV's investment assets; (ii) the LTV level (Note) is to not exceed 60% following the Excess Profit Distribution; and (iii) securing liquidity following the Excess Profit Distribution.

(Note) LTV level (%) = $a / b \times 100\%$

a = total outstanding balance of interest-bearing debt at fiscal end

b = total assets at fiscal end - expected distribution amount

(b) Approval Process for Excess Profit Distribution

In the event INV decides to make the Excess Profit Distribution, the Asset Manager is to present its executive officers with drafts of financial statements, asset management report and financial documents relating to cash distributions as well as any accompanying statement, in each case for the fiscal period immediately preceding the fiscal period in which such distribution is to be made. In presenting such drafts, the General Manager of the Finance Department of the Asset Manager, in accordance with "(1) Basic Policy" above, is to prepare a proposal taking into account matters affecting cash flow such as medium to long term capital requirements, etc. (e.g., long-term repair plans) and other necessary matters, and will seek the approval of the President and CEO of the Asset Manager.

c Methods of Distribution

Distributions shall be paid in cash and based on the number of investment units held to unitholders who are listed or recorded in the registry of unitholders on the closing date of each fiscal period, or to registered pledgees of investment units (Article 17, Item 5 of the Articles of Incorporation of INV).

d Statutory Limitation for Dividends

INV will be exempted from its obligation to pay distributions to unitholders or registered pledgees of investment units after a lapse of three years from the commencement date of payment. No interest will accrue with respect to unpaid distributions (Article 17, Item 6 of the Articles of Incorporation of INV).

In addition to 1. through 4. above, INV shall comply with the rules of The Investment Trusts Association, Japan, etc. in cash distributions.