

Translation

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**Summary of Financial Results (REIT)  
for the Fiscal Period Ended December 31, 2016**

February 22, 2017

Name of Issuer:	Invincible Investment Corporation	Stock Exchange Listing:	Tokyo Stock Exchange
Securities Code:	8963	URL	<a href="http://www.invincible-inv.co.jp/">http://www.invincible-inv.co.jp/</a>
Representative:	Naoki Fukuda, Executive Director		
Name of Asset Manager:	Consonant Investment Management Co., Ltd.		
Representative:	Naoki Fukuda, President & CEO		
Contact:	Jun Komo, General Manager of Planning Department	TEL.	+81-3-5411-2731
Scheduled Date of Filing of Securities Report:	March 27, 2017	Scheduled Date of Commencement for Distribution Payments:	March 28, 2017
Supplementary Materials for Financial Results:	Yes		
Presentation Meeting:	Yes (for analysts and investors)		

(values are rounded down to the nearest JPY million)

1. Financial Results for the Fiscal Period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)

(1) Operating Results

(Percentages indicate percentage change from the preceding period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	JPY million	%	JPY million	%	JPY million	%	JPY million	%
Fiscal period ended December 31, 2016	9,511	16.6	5,934	17.0	5,431	24.5	5,431	24.5
Fiscal period ended June 30, 2016	8,158	18.9	5,073	16.1	4,364	47.8	4,363	47.8

	Net Income per Unit	Net Income/ Unitholders' Equity	Ordinary Income/ Total Assets	Ordinary Income/ Operating Revenues
	JPY	%	%	%
Fiscal period ended December 31, 2016	1,477	4.2	1.9	57.1
Fiscal period ended June 30, 2016	1,270	3.9	1.9	53.5

(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 June 30, 2016 (3,675,824 units) and rounded down to the nearest yen is JPY 1,187.

(2) Distributions

	Distribution (Excluding excess profit)		Excess Profit		Distribution		Dividend Payout Ratio	Distribution / Net Assets
	Per Unit	Total	Per Unit	Total	Per Unit	Total		
Fiscal period ended December 31, 2016	JPY 1,477	JPY million 5,429	JPY 0	JPY million 0	JPY 1,477	JPY million 5,429	% 100.0	% 4.2
Fiscal period ended June 30, 2016	1,125	4,135	61	224	1,186	4,359	94.8	3.5

(Note 1) The distribution per unit in excess of profit for the fiscal period ended June 30, 2016 is JPY 61, of which JPY 61 is the allowance for temporary differences adjustments.

(Note 2) The "Dividend Payout Ratio" is calculated in accordance with the following formula:  

$$\text{Dividend Payout Ratio} = \text{Distribution Amount (Excluding excess profit distribution)} \div \text{Net Income} \times 100$$
"Dividend Payout Ratio" is rounded to the nearest one decimal place.

(Note 3) "Distribution/ Net Assets" are calculated based on the figures excluding excess profit distribution.

(3) Financial Position

	Total Assets	Net Assets	Net Assets / Total Assets	Net Assets per Unit
	JPY million	JPY million	%	JPY
Fiscal period ended December 31, 2016	277,361	131,455	47.4	35,762
Fiscal period ended June 30, 2016	284,106	130,005	45.8	35,368

(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
	JPY million	JPY million	JPY million	JPY million
Fiscal period ended December 31, 2016	9,818	(8,457)	(3,910)	14,214
Fiscal period ended June 30, 2016	5,319	(86,000)	83,626	16,764

## 2. Forecasts for the Fiscal Periods ending June 30, 2017 (from January 1, 2017 to June 30, 2017) and December 31, 2017 (from July 1, 2017 to December 31, 2017)

(Percentages indicate percentage change from the preceding period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Distribution per Unit (excluding excess profit distribution)	Excess Profit Distribution per Unit	Distribution per Unit (including excess profit distribution)
	JPY million	%	JPY million	%	JPY million	%	JPY million	%	JPY	JPY	JPY
Fiscal Period ending June 30, 2017	9,285	(2.4)	5,268	(11.2)	4,590	(15.7)	4,589	(15.5)	1,185	55	1,240
Fiscal Period ending December 31, 2017	10,498	13.1	6,245	18.5	5,652	23.1	5,651	23.1	1,460	21	1,481

(Reference) Estimated net income per unit for the fiscal period ending June 30, 2017 is JPY 1,185.  
Estimated net income per unit for the fiscal period ending December 31, 2017 is JPY 1,460.

## \* 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, 2016	3,675,824	June 30, 2016	3,675,824
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- (b) Number of Treasury Units as of the End of the Fiscal Period

	December 31, 2016	0	June 30, 2016	0
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(Note) Please refer to "Notes Related to Per Unit Information" on page 49 regarding the number of investment units which is the basis for the calculation of net income per unit.

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 Underlying the Forecast of Financial Results and Distribution for the Fiscal Periods ending June 30, 2017 (from January 1, 2017 to June 30, 2017) and December 31, 2017 (from July 1, 2017 to December 31, 2017)”, on page 19 for assumptions used in the forecasts and precautions regarding the use of such forecasts.

Unless otherwise specified herein, amounts less than JPY 1 are rounded down, and ratios are rounded to the nearest one decimal place.

## 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, 2016).

## 2. Management Policy and Operating Conditions

### (1) Management Policy

Disclosure of “Investment Policies,” “Investment Targets,” “Distribution Policies” and the “Investment Restriction” is omitted because there have been no material changes from the relevant sections of the latest securities report (filed on September 26, 2016)

### (2) Operating Conditions

#### a Overview of the Fiscal Period Ended December 2016 (“Reporting Period”)

##### (a) Main Trends of INV

INV was established in January 2002 in accordance with the Investment Trust and Investment Corporation Act (Act No. 198 of 1951, as amended; 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).

After the merger with LCP Investment Corporation (“LCP”) was implemented on February 1, 2010, INV issued new investment units through a third-party allotment on July 29, 2011 and refinanced its debt. Calliope Godo Kaisha (“Calliope”), an affiliate of the Fortress Investment Group LLC (“FIG” and together with Calliope and other affiliates of FIG, collectively the “Fortress Group”) was the main allottee, and the sponsor changed to the Fortress Group.

Ever since the commencement of sponsorship from the Fortress Group, INV has been focusing its efforts on improving the profitability of its portfolio and establishing a revenue base in order to implement stable distributions, and has strengthened the lender formation through new borrowings and the refinancing of existing bank borrowings, thereby creating a financial base for external growth. With this platform as a base, in June 2014, Consonant Investment Management Co., Ltd., the asset manager to which INV entrusts the management of its assets (the “Asset Manager”) revised the Investment Guidelines for INV, and positioned hotels as a core asset class alongside residential properties with a view towards expanding investments in the hotel sector in which demand is forecasted to rise going forward. As a result of the external growth efforts, INV’s portfolio at the end of the previous period ended June 2016 composed of 124 properties (48 hotels, 68 residential properties and eight others) with a total acquisition value of JPY 266,619 million, and market capitalization at such date of JPY 238,193 million. When compared to the period as of May 22, 2014, which is the time immediately prior to INV’s initial investment in hotels, the total acquisition value and market capitalization increased significantly by 3.7x and 8.0x, respectively.

In the Reporting Period, INV obtained an initial credit rating of “A” from Japan Credit Rating with a “Positive” outlook on September 27, 2016.

INV expanded the pipeline for future growth by adding two residential properties to the properties subject to a Memorandum of Understanding (the “MOU”) with affiliates of Fortress Group with respect to preferential negotiating rights regarding the acquisitions of hotels and residential properties on December 22, 2016. As of the end of the Reporting Period, there are 22 hotels (6,116 rooms) and 11 residential properties (1,413 units) in the MOU, which will continue to provide INV with considerable opportunities for external growth.

(b) Operational Environment and Performance

For the December 2016 period, NOI increased by 41.2% or JPY 2,453 million compared to the same period in the previous year (the December 2015 period), of which 35.7% came from the hotel portfolio and 5.7% from the residential portfolio.

As a result, INV maintained a high average occupancy rate (Note 1) of 98.2% across the entire portfolio, and the NOI of entire portfolio increased by 17.9% from the previous period (the June 2016 period) to JPY 8,414 million. Below is commentary on each of these sectors and their performance in the second half of 2016.

In the hotel segment, improvements in travel infrastructure, the penetration of LCC's into the Japanese market, and the Japanese government's promotion of tourism initiatives at the national and local level, coupled with macro structural changes such as a sharp increase in the number of cross-border travelers due to the global rise of the middle-income bracket, have led to a continued increase in the number of international visitors to Japan from China and Southeast Asian countries such as Thailand, Malaysia, the Philippines, Indonesia and Vietnam. This robust combination helped Japan log a record high of 24.039 million inbound visitors in 2016, (a 21.8% increase compared to 19.737 million in the previous year).

However, for the Reporting Period, the hotel segment was impacted by poor weather such as typhoons, day formation (reduced number of weekday holidays) of the Silver Week holiday in September 2016, an increase in hotel supply in Tokyo in the limited-service-hotel segment, an increase in the number of hotel rooms listed on websites of online travel agents and increased cancellations.

Under the circumstances above, INV is working closely with the operators of the hotels, primarily MyStays Hotel Management Co., Ltd. ("MyStays"), a hotel operator in the sponsor group, to proactively address the issues at hand. Specifically, MyStays continues to improve the web experience and the service function such as its online chat function and strengthen its user content and engagement to drive more direct bookings through the MyStays website as well as increase brand awareness. MyStays is increasing the over-bookings ratio to achieve higher occupancy rates and to offset vacancies caused by cancellations. As the result of the initiatives, 39 of the hotels owned by INV (Note 2) recorded ADR (Note 3) of JPY 9,935, RevPAR (Note 4) of JPY 9,049, and an occupancy rate (Note 5) of 91.1%. Among the 36 hotels (Note 6) in which a comparison can be made for the same period in the previous year, ADR was JPY 9,877 (+0.0%), RevPAR was JPY 8,973 (-0.8%), with an occupancy rate of 90.8% (-0.7 points). The ratio of overseas sales (Note 7) at the 36 hotels (Note 8) increased to 27.9% (+2.0 points compared to the same period in the previous year).

With respect to the residential portfolio, market rent trends for small-type city-center properties maintain moderate increase. Under the positive circumstances in the macro environment, INV implemented a rent increase program for new leases and renewals as well as an initiative to reduce residential leasing costs based on a market analysis of each unit and property. As a result, in the Reporting Period, INV realized a rent increase for 54.2% of the new residential lease contracts for an average rent increase of 1.5% compared to the previous rent across all new leases, and a rent increase for 33.6% of contract renewals for an average rent increase of 1.0% compared to the previous rent across all renewal leases, while maintaining a high contract renewal rate of 83.7%. The average occupancy rate achieved a stable 95.6% and the average occupancy rate for 63 properties that can be compared to the same period in the previous year (Note 9) was 94.4% (a decrease of 0.9 points). The NOI (Note 10) for the 63 properties (Note 9) in which previous year comparisons can be made increased 3.8% compared to the same period in the previous year. Furthermore, INV determined on November 21, 2016 to change the master lessee ("ML") and the property manager ("PM") for 16 properties effective December 1, 2016 and for one property effective January 1, 2017 (Note 11) respectively in order to further improve its operational efficiency as well as property performance by consolidating the number of ML/PM from 19 to 10 for its residential portfolio.

Due to the internal growth for the Reporting Period, and trends in the real estate investment and rental market, the total appraisal value at the end of the Reporting Period was JPY 328,192 million, an increase of JPY 4,901 million (+1.5%) over the previous period. The portfolio has an unrealized gain of JPY 68,253 million (Note 12) and an unrealized gain ratio of 26.3% (Note 12).

Key Performance Indicators of 36 Hotel Properties (Note 6)

	Y2016		
	June fiscal period	December fiscal period	Full-Year
Occupancy Rate	89.6%	90.8%	90.2%
ADR (JPY)	9,008	9,877	9,448
RevPAR (JPY)	8,068	8,973	8,523
GOP (Note 13) (JPY million)	4,516	5,373	9,889

Year-on-Year Changes

	Y2016		
	June fiscal period	December fiscal period	Full-Year
Occupancy Rate	+0.1pt	-0.7pt	-0.3pt
ADR (JPY)	+8.4%	-0.0%	+3.7%
RevPAR (JPY)	+8.5%	-0.8%	+3.3%
GOP (Note 13) (JPY million)	+12.3%	-2.3%	+3.8%

Key Performance Indicators of 63 Residential Properties (Note 9)

	Y2016		
	June fiscal period	December fiscal period	Full-Year
Occupancy Rate (Note 1)	95.5%	94.4%	95.0%
Average Rent per Tsubo (JPY) (Note 14)	10,040	10,123	10,082
NOI (JPY million)	1,540	1,553	3,093

Year-on-Year Changes

	Y2016		
	June fiscal period	December fiscal period	Full-Year
Occupancy Rate (Note 1)	+1.8pt	-0.9pt	+0.5pt
Average Rent per Tsubo (JPY) (Note 14)	+1.3%	+1.7%	+1.5%
NOI (JPY million)	+5.1%	+3.8%	+4.4%

(Note 1) "Occupancy Rate" for the entire portfolio and for the residential properties is calculated by dividing the sum of total leased area by the sum of total leasable area at the end of each month during the relevant period.

(Note 2) Of the 48 acquired hotels, the following nine hotels with fixed-rent lease agreements are excluded: Super Hotel Shinbashi-Karasumoriguchi, Comfort Hotel Toyama, Super Hotel Tokyo JR Tachikawa Kitaguchi, Super Hotel JR Ueno-Iriyaguchi, Comfort Hotel Kurosaki, Comfort Hotel Maebashi, Comfort Hotel Tsubame-Sanjo, Comfort Hotel Kitami and Takamatsu Tokyu REI Hotel.

(Note 3) "ADR" means average daily rate, and is calculated by dividing total room sales (excluding service fees) for a certain period by the total number of days per room for which each room was occupied during the same period. Hereinafter the same shall apply.

(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 ADR by occupancy rates. Hereinafter the same shall apply.

(Note 5) "Occupancy rate" for the hotel properties is calculated in accordance with the following formula:

Occupancy rate = total number of occupied rooms during a certain period ÷ total number of rooms available during the same period (number of rooms x number of days)

Hereinafter the same shall apply.

- (Note 6) Of the 48 acquired hotels, two hotels which were not operating for a certain period due to renovation in 2015, Hotel MyStays Shinsaibashi (renovation period: from January 25, 2015 through March 31, 2015) and Hotel MyStays Gotanda Station (renovation period: from March 1, 2015 through November 24, 2015) and one hotel which was not fully operating for a certain period due to renovation in 2016, Hotel MyStays Kanda (renovation period: from May 20, 2016 through August 22, 2016) are excluded, in addition to the nine hotels with fixed-rent lease agreements excluded per Note 2.
- (Note 7) “Overseas sales ratio” is the ratio of sales amount through overseas web agents to revenues.
- (Note 8) Of the 48 acquired hotels, 12 hotels, APA Hotel Yokohama-Kannai, Super Hotel Shinbashi-Karasumoriguchi, Comfort Hotel Toyama, Super Hotel Tokyo JR Tachikawa Kitaguchi, Super Hotel JR Ueno-Iriyaguchi, Comfort Hotel Kurosaki, Comfort Hotel Maebashi, Comfort Hotel Tsubame-Sanjo, Comfort Hotel Kitami and Takamatsu Tokyu REI Hotel, the tenants of which do not disclose the ratio of overseas sales; Hotel MyStays Gotanda Station, which was not operating for a certain period due to renovation in 2015 (renovation period: from March 1, 2015 through November 24, 2015); and Hotel MyStays Kanda, which was not fully operating for a certain period due to renovation in 2016 (renovation period: from May 20, 2016 through August 22, 2016), are excluded.
- (Note 9) Of the 68 acquired residential properties, five properties, City Court Kitaichijo, Lieto Court Mukojima, Lieto Court Nishi-Ojima, Royal Parks Momozaka and Royal Parks Shinden, which were not held by INV in the same period in the beginning of the previous year, are excluded.
- (Note 10) For the comparison of NOI of the 63 properties, insurance income and related repair expenses, which are temporary items, are excluded.
- (Note 11) 16 properties for which ML/PM were changed on December 1, 2016 are Royal Park Omachi, Lexington Square Haginomachi, Lexington Square Daitabashi, Lexington Square Honjo Azumabashi, Invoice Shin-Kobe Residence, Cosmo Court Motomachi, Salvo Sala, Luna Court Edobori, Winntage Kobe Motomachi, Corp Higashinotoin, Prime Life Sannomiya Isogami Koen, HERMITAGE NANBA WEST, West Avenue, Prime Life Mikage, Lieto Court Mukojima and Lieto Court Nishi-Ojima. One property for which ML/PM were changed on January 1, 2017 is Acseeds Tower Kawaguchi-Namiki.
- (Note 12) The unrealized gain is calculated using the following formula: the appraisal value as of the end of the Reporting Period - book value as of the end of the Reporting Period.  
The unrealized gain ratio is calculated using the following formula: the unrealized gain ÷ book value as of the end of the Reporting Period.
- (Note 13) “GOP,” means the gross operating profit, and is the amount remaining after deducting costs of hotel operations (the personnel, material, water, electricity and heating and advertising expenses and other expenses) and the management services fee to operators (if any) from the hotel’s revenues . Hereinafter the same shall apply.
- (Note 14) “Average rent per tsubo” is calculated by dividing the total rental revenue including common area charges for each month by the sum of total leasable area at the end of each month during the relevant period.



(c) Overview of Fund Raising

During the Reported period, INV obtained a credit rating of A from the Japan Credit Rating Agency and also increased its bank group from 13 financial institutions to 19 including Japan Post Bank Co., Ltd. Below are details of the initial credit rating which was obtained on September 27, 2016:

Credit Rating Agency	Rating Object	Rating	Outlook
Japan Credit Rating Agency, Ltd.	Long-term Issuer Rating	A	Positive

As a result of the measures described below, INV's interest-bearing debt outstanding balance was JPY 142,419 million and the Interest-Bearing Debt ratio (Note 1) and LTV (Note 2) were 51.3% and 43.4% respectively, as of the end of the Reporting Period, with an average interest rate (Note 3) of 0.50%.

INV implemented the borrowing of Term Loan (E) (amount borrowed: JPY 4,000 million; interest rate: variable interest rate of 1-month JPY TIBOR (Note 4) plus 0.4%, 0.5% and 0.6% for durations of three, four and five years) from The Tokyo Star Bank, Limited on July 20, 2016 for use as a portion of the funds and related expenses for the two hotels acquired on June 15, 2016.

On November 30, 2016, INV repaid the portion of Term Loan (B), New Syndicate Loan (F), and Term Loan (C) in the amount of JPY 3,498 million in total that corresponds to the borrowings equivalent to the expected consumption tax refund (Note 5), using the consumption tax refunds from the five hotels acquired on January 22, 2016, the four hotels acquired on March 31, 2016, and the two hotels acquired on June 15, 2016.

In addition, a portion of INV's existing loans from Mizuho Bank, Ltd. was transferred to Japan Post Bank Co., Ltd. in the amount of JPY 4,000 million on July 15, 2016, The Kagawa Bank, Ltd., The Shizuoka Bank, Ltd., The Hyakugo Bank, Ltd., and The Bank of Fukuoka, Ltd. in the amount of JPY 1,000 million each on July 29, 2016, The Daishi Bank, Ltd. and The Hiroshima Bank, Ltd. in the amount of JPY 1,000 each on December 20, 2016.

(Note 1) Interest-Bearing Debt ratio uses the calculation formula below:

$$\text{Interest-Bearing Debt ratio} = \text{total outstanding interest-bearing debt} / \text{total assets} \times 100$$

(Note 2) LTV uses the calculation formula below:

$$\text{LTV} = \text{total outstanding interest-bearing debt} / \text{total appraisal value} \times 100$$

(Note 3) The average borrowing interest rate (annual rate) is calculated by the weighted average based on the outstanding balance of borrowings and rounded to two decimal places.

(Note 4) With respect to only the first interest calculation period, the 2-month JPY TIBOR.

(Note 5) Borrowings corresponding to the expected consumption tax refund mean the borrowings which will be prepaid in the amount equivalent to the refund of consumption tax and local tax, which were paid in relation to the acquisition of the trust beneficiary interests acquired by the borrowings executed at the same time, in the case where the above-mentioned consumption tax refunds are received. The same shall apply hereinafter.

(d) Overview of Results of Operations and Distributions

As a result of the operations mentioned above, operating revenues for the Reporting Period increased by JPY 1,353 million from the previous period (+16.6%) to JPY 9,511 million, and net income increased by JPY 1,067 million from the previous period (+24.5%) to JPY 5,431 million. DPU for the Reporting Period was JPY 1,477, an increase of JPY 291 (+24.5%) compared to the previous period.

INV aims to include maximum profit distributions (excluding excess profit distribution) in deductible expenses in accordance with Section 1 of Article 67-15 of the Act on Special Taxation Measures Law (Act No. 15 of 1957; as amended), and decided to distribute all of the amount by deducting reversal of allowance for temporary differences adjustment from profit as defined in Article 136, Paragraph 1 of the Investment Trust Act, except for fractional distribution per unit less than JPY 1. As a result, the distribution per unit (excluding excess profit distribution) for the Reporting Period is JPY 1,477. On the other hand, excess profit distribution will not be made.

b Outlook for the Fiscal Periods Ending June 30, 2017 and December 31, 2017

The DPU (including excess profit distribution) for the June 2017 period is forecast to be JPY 1,240 (+4.6% YoY) and the DPU (including excess profit distribution) for the December 2017 period is forecast to be JPY 1,481 (+0.3% YoY); the full year DPU (including excess profit distribution) for calendar year 2017 is forecast to be a modest growth of JPY 2,721 (+2.2% YoY).

Future operational policy and issues to be addressed

Since July 2011, INV has enhanced unitholder value by significantly increasing DPU with the Fortress Group as its sponsor. Going forward, INV will implement various strategies to maintain further growth, including the following measures.

- Continuous acquisition of properties from sponsor and third parties
- Further internal growth at hotel and residential properties
- Diversification of financing measures including the issuance of invest corporation bonds and extension and diversification of maturities

Details of the future growth strategy are as follows.

(i) External growth strategy

New Property Acquisitions

As its basic strategy, INV will move forward with the acquisition of new properties focusing on hotels, where continued growth in portfolio revenues is anticipated, and residential properties especially where rental growth can be achieved. Rent revenue from residential assets and other assets as well as the fixed rent portion from hotels will also contribute to more stable revenue, which was 67.4% of total revenue for 2016. This acquisition strategy will enable INV to build a portfolio with a good balance between growth and stability.

In regards to hotels, INV will take into consideration the trends in foreign travelers visiting Japan, demands of business and leisure customers, the competitive hotel environment, and leasing contract types when making investment decisions, with the aim of acquiring properties where growth and stability of GOP and rental revenue are forecasted to increase.

In regards to residential properties, INV will analyze occupancy rates, rental market trends, the presence of competing properties among other factors, and consider acquiring mainly small-type properties in large cities with strong competitiveness in which it believes it can achieve increases in rent. INV decided today to acquire two high quality family-type properties in Tokyo, taking into consideration of the rent growth potential for Royal Parks Tower Minami-Senju and the stability from the fixed-term lease for Royal Parks Seasir Minami-Senju, which will be beneficial to the diversification of the residential portfolio, as announced in the release "Notice concerning Acquisition of Assets and Entering into Leasing Contract" as of today.

These two residential properties are to be acquired from the pipeline of the sponsor, the Fortress Group, which has helped INV to achieve steady external growth as follows.

Properties Acquired from affiliates of the Fortress Group (as of the date of this document)

Date	Properties acquired	Total acquisition price
September 2012	24 residential properties	JPY 14,043 million
May 2014	Two hotels	JPY 5,435 million
July 2014	18 hotels	JPY 39,938 million
February 2015	Two hotels	JPY 4,911 million
July 2015	11 hotels and three residential properties	JPY 35,258 million
August 2015	One hotel	JPY 5,069 million
January 2016	Five hotels and one residential property	JPY 10,207 million
March 2016	Four hotels and one residential property	JPY 66,697 million
June 2016	Two hotels	JPY 15,900 million
Total	74 properties (of which 45 are hotels and 29 are residential properties)	JPY 197,458 million (of which hotels: JPY 170,382 million; residential: JPY 27,076 million)

The Fortress Group manages four dedicated Japanese real estate funds, including the Fortress Japan Opportunity Funds I, II, and III. The Fortress Group's committed equity is over JPY 300 billion and the number of properties that the Fortress Group is invested in exceeds 1,400. In order to ensure future growth options for the portfolio, INV entered into an updated MOU with affiliates of the Fortress Group that provides preferential negotiation rights with respect to the acquisition of 22 hotels and nine residential properties (excluding two residential properties anticipated to be acquired) (see the table below) (Note 1). In addition, by utilizing the property transaction information available through the Fortress Group and INV's own network, INV will continuously consider and implement the acquisitions of properties from third parties that will contribute to stability and growth in revenue and cash flow and an increase in DPU.

No.	Asset name	Asset type (Note 2)	Location	No. of rooms
1	Hotel MyStays Premier Akasaka	Limited Service Hotel	Minato-ku, Tokyo	327
2	Hotel MyStays Yokohama Kannai	Limited Service Hotel	Yokohama-shi, Kanagawa	166
3	RIHGA Royal Hotel Kyoto	Full Service Hotel	Kyoto-shi, Kyoto	489
4	Narita Excel Hotel Tokyu	Full Service Hotel	Narita-shi, Chiba	706
5	Hotel MyStays Premier Sapporo Park	Full Service Hotel	Sapporo-shi, Hokkaido	418
6	Hotel MyStays Sapporo Station	Limited Service Hotel	Sapporo-shi, Hokkaido	242
7	Hotel MyStays Oita	Limited Service Hotel	Oita-shi, Oita	145
8	Art Hotel Hirosaki City	Full Service Hotel	Hirosaki-shi, Aomori	134
9	Beppu Kamenoi Hotel	Resort Hotel	Beppu-shi, Oita	322
10	Fusaki Resort Village	Resort Hotel	Ishigaki-shi, Okinawa	195
11	Sheraton Grande Tokyo Bay Hotel	Full Service Hotel	Urayasu-shi, Chiba	1,016
12	Hotel MyStays Shin Osaka Conference Center	Limited Service Hotel	Osaka-shi, Osaka	397
13	Art Hotel Asahikawa	Full Service Hotel	Asahikawa-shi, Hokkaido	265
14	Hotel MyStays Kanazawa Castle	Limited Service Hotel	Kanazawa-shi, Ishikawa	206
15	Hotel JAL City Matsuyama	Full Service Hotel	Matsuyama-shi, Ehime	161

No.	Asset name	Asset type (Note 2)	Location	No. of rooms
16	Hotel MyStays Ueno East	Limited Service Hotel	Taito-ku, Tokyo	150
17	(tentative) Hotel MyStays Honmachi 3-chome (Note 3)	Limited Service Hotel	Osaka-shi, Osaka	120
18	Hotel MyStays Sapporo Nakajima Park	Limited Service Hotel	Sapporo-shi, Hokkaido	86
19	Flexstay Inn Sakuragicho	Limited Service Hotel	Yokohama-shi, Kanagawa	70
20	MyCUBE by MYSTAYS Asakusa Kuramae	Limited Service Hotel	Taito-ku, Tokyo	161
21	Hotel MyStays Premier Hamamatsucho	Limited Service Hotel	Minato-ku, Tokyo	120
22	Hotel MyStays Premier Omori	Limited Service Hotel	Shinagawa-ku, Tokyo	220
Hotel subtotal				6,116
23	Gran Charm Hiroo	Residential/Small Type	Shibuya-ku, Tokyo	121
24	Plestay Win Kinshicho	Residential/Small Type	Sumida-ku, Tokyo	92
25	Gran Charm Kichijoji	Residential/Small Type	Musashino-shi, Tokyo	28
26	Green Patio Noda	Residential/Small Type	Noda-shi, Chiba	240
27	Dainichi F-45	Residential/Small Type	Urayasu-shi, Chiba	54
28	Gran Charm Urayasu	Residential/Small Type	Urayasu-shi, Chiba	54
29	Gran Charm Urayasu 5	Residential/Small Type	Urayasu-shi, Chiba	54
30	Gran Charm Minami Gyotoku I	Residential/Small Type	Ichikawa-shi, Chiba	52
31	Gran Charm Minami Gyotoku II	Residential/Small Type	Ichikawa-shi, Chiba	48
Residential property subtotal				743

(Note 1) The term of validity of the MOU is from December 22, 2016, the date of execution of the updated MOU, to December 21, 2017. The above 31 properties does not include two residential properties anticipated to be acquired upon the exercise of preferential negotiation rights under the MOU. Regarding the 31 properties listed above, there is no guarantee that INV will be granted an opportunity for considering acquisition of the properties or be able to acquire the properties.

(Note 2) Each “Asset Type” above is as follows:

“Limited Service Hotel” refers to a hotel focusing on revenues from room stay and offer limited service regarding foods and beverages, banquet, spa or gymnasium facilities.

“Full Service Hotel” refers to a hotel having segments of stay, foods and beverages, and banquet.

“Resort Hotel” refers to a hotel located at tourist destinations or recreational lots, having segments of stay, foods and beverages, and incidental facilities.

“Small Type” refers to a residential property in which the majority of dwelling units are less than 30 m<sup>2</sup>.

(Note 3) (Tentative) Hotel MyStays Honmachi 3-chome is scheduled to be completed in November 2017 and open in December 2017.

## Property Sales

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

### (ii) Strategy for internal growth

#### (Hotels)

Of the 48 hotels owned by INV as at the end of the Reporting Period, 39 hotels use a variable rent scheme. In the variable rent scheme, in principle, INV receives all of gross operating profit (GOP) after deducting management fees for the hotel operator as rents, and INV can directly enjoy the hotel revenue upside. In the case where GOP enters into a downward trend, INV could take advantage from the fixed rent portion or downside floor to protect itself from further loss. For 33 hotels, MyStays has implemented strict revenue management seeking to maximize revenue. INV will continue to accurately ascertain and analyze operating conditions of its hotels, the conditions of nearby hotels, market trends and other factors through operation meetings and other contact with hotel operators and will focus on operations that maximize rent income.

#### (Residential properties and others)

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, while keeping in mind the high-season in the residential rental market that occurs during the fiscal period ending June 2017, INV will focus on increasing the occupancy rate and rent for both new lease contracts and lease renewals for each of its properties as well as formulating net leasing cost reduction policies in order to continue maximizing profits.

Further, 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. Especially for hotels, INV will carefully execute the plans for renovations and replacement of fixtures and fittings in order to maintain and increase revenues.

### (iii) Financial strategy

INV has obtained its initial credit rating, strengthened its relationship with existing lenders and enhanced its lender formation via adding six new lenders including Japan Post Bank Co., Ltd. in order to further stabilize its financial base. Going forward, INV will work on diversifying financing measures including issuing investment corporation bonds. Also, INV seeks to maximize unitholders' value by way of extension and diversification of its borrowing terms, further reduction of borrowing costs, solicitation of new financial institutions and further strengthening of its lender formation.

### (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

(a) Issuance of New Investment Units

INV has resolved at its Board of Directors Meeting to issue new investment units (“Public Offering”) and conduct secondary offering of investment units per the below.

The details including issue price per unit will be determined at its Board of Directors Meeting to be held hereafter.

(i) Issuance of new investment units through Public Offering

Number of investment units to be offered	: 185,000 investment units
Use of proceeds	: INV will use the proceeds from the Public Offering for the acquisitions of “Royal Parks Tower Minami-Senju” and “Royal Parks Seair Minami-Senju” as described in “(c) Property Acquisition” below.

(ii) Secondary offering of investment units (overallotment secondary offering)

Number of investment units to be offered in the secondary offering	: 9,250 investment units
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(iii) Issuance of new investment units through third-party allotment (Note)

Number of investment units to be offered (maximum)	: 9,250 investment units
Allottee	: Mizuho Securities Co., Ltd.
Use of proceeds	: INV will keep the proceeds as cash-on-hand and use for future asset acquisition. The procured funds will be deposited at banks until disbursement.

(Note) There may be cases where there will be no subscription for whole or part of the investment units to be issued through the third-party allotment, resulting in a commensurate shortfall in the ultimate number of investment units to be issued through the third-party allotment, due to forfeiture, or there may be cases where such issuance itself will not take place at all.

(b) Borrowing of Funds

INV has decided today to obtain new loans (“Borrowings”) in order to acquire properties described in “(c) Property Acquisition” below and related expenses. The details of loans are as follows:

(i) New Syndicate Loan (G)

Lender	Borrowing date	Borrowing amount (JPY million)	Interest rate (per annum)	Principal maturity date	Borrowing method
Mizuho Bank, Ltd. Development Bank of Japan, Inc. Resona Bank, Limited The Bank of Fukuoka, Ltd. The Shizuoka Bank, Ltd.	March 14, 2017	3,250	Variable interest rate (Note 1)	March 14, 2020	Unsecured / with no guarantee
The Nomura Trust and Banking Co., Ltd. AEON Bank, Ltd.	March 14, 2017	3,250	Variable interest rate (Note 2)	March 14, 2021	Unsecured / with no guarantee
The Dai-ichi Life Insurance Company, Limited The Gunma Bank, Ltd. The Towa Bank, Ltd.	March 14, 2017	4,750	Variable interest rate (Note 3)	March 14, 2022	Unsecured / with no guarantee
Total		11,250			

(Note 1)1-month JPY TIBOR (Base Rate) + spread (0.40%)

(Note 2)1-month JPY TIBOR (Base Rate) + spread (0.50%)

(Note 3)1-month JPY TIBOR (Base Rate) + spread (0.60%)

(ii) Term Loan (F)

Lender	Borrowing date	Borrowing amount (JPY million)	Interest rate (per annum)	Principal maturity date	Borrowing method
Sumitomo Mitsui Banking Corporation.	March 14, 2017	3,000	Variable interest rate (Note)	September 14, 2020	Unsecured / with no guarantee
Total		3,000			

(Note)1-month JPY TIBOR (Base Rate) + spread (0.45%)

(c) Property Acquisition

The Asset Manager has decided today to acquire the two residential properties (“Acquisition”) as follows:

Use	Property number	Property name	Location	Acquisition price (JPY million) (Note 1)	Appraisal value (JPY million) (Note 2)	Seller	Legal form of asset
Residential	A105	Royal Parks Tower Minami-Senju	Arakawa-ku, Tokyo	21,879	22,100	Sakura Tokutei Mokuteki Kaisha	Trust beneficiary interest
	A106	Royal Parks Seasir Minami-Senju	Arakawa-ku, Tokyo	2,683	2,710	Momo Tokutei Mokuteki Kaisha	
Total				24,562	24,810		

(Note 1) Acquisition price does not include property taxes, city planning taxes, national or local consumption taxes; hereinafter the same.

(Note 2) The appraisal value is as of December 1, 2016 based on the appraisal reports by Japan Real Estate Institute.

(Note 3) Figures are rounded down to the nearest million yen.



d Operational Outlook

The forecasts of financial results for the fiscal periods ending June 30, 2017 and December 31, 2017 are as follows.

Fiscal period ending June 30, 2017 (from January 1, 2017 to June 30, 2017)

Operating Revenues	JPY 9,285 million
Operating Income	JPY 5,268 million
Ordinary Income	JPY 4,590 million
Net Income	JPY 4,589 million
Total Distribution Amount (Including excess profit distribution)	JPY 4,798 million
Earnings per Unit	JPY 1,185
Distribution per Unit (Excluding excess profit distribution per unit)	JPY 1,185
Excess Profit Distribution per Unit	JPY 55
Distribution per Unit (Including excess profit distribution per unit)	JPY 1,240

Fiscal period ending December 31, 2017 (from July 1, 2017 to December 31, 2017)

Operating Revenues	JPY 10,498 million
Operating Income	JPY 6,245 million
Ordinary Income	JPY 5,652 million
Net Income	JPY 5,651 million
Total Distribution Amount (Including excess profit distribution)	JPY 5,731 million
Earnings per Unit	JPY 1,460
Distribution per Unit (Excluding excess profit distribution per unit)	JPY 1,460
Excess Profit Distribution per Unit	JPY 21
Distribution per Unit (Including excess profit distribution per unit)	JPY 1,481

For reference purposes, full-year forecasts are provided below, since hotel revenues are influenced by seasonal effects.

(Reference) Full-year 2017 (Aggregate of the fiscal periods ending in June 2017 and December 2017)

Operating Revenues	JPY 19,783 million
Operating Income	JPY 11,513 million
Ordinary Income	JPY 10,242 million
Net Income	JPY 10,241 million
Total Distribution Amount (Including excess profit distribution)	JPY 10,530 million
Earnings per Unit	JPY 2,645
Distribution per Unit (Excluding excess profit distribution per unit)	JPY 2,645
Excess Profit Distribution per Unit	JPY 76
Distribution per Unit (Including excess profit distribution per unit)	JPY 2,721

For the assumptions underlying the operational outlook for the fiscal periods ending June 30, 2017 and December 31, 2017, please see “Assumptions Underlying the Forecast of Financial Results and Distribution for the Fiscal Periods ending June 30, 2017 (from January 1, 2017 to June 30, 2017) and December 31, 2017 (from July 1, 2017 to December 31, 2017.”

(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 Underlying the Forecast of Financial Results and Distribution for the Fiscal Periods ending June 30, 2017 (from January 1, 2017 to June 30, 2017) and December 31, 2017 (from July 1, 2017 to December 31, 2017)>

Item	Assumptions															
Fiscal period	The 28 <sup>th</sup> fiscal period: from January 1, 2017 to June 30, 2017 (181 days) The 29 <sup>th</sup> fiscal period: from July 1, 2017 to December 31, 2017 (184 days)															
Assets under management	Properties held as of the end of the 28 <sup>th</sup> fiscal period: 126 properties Properties held as of the end of the 29 <sup>th</sup> fiscal period: 126 properties  INV assumes that INV will newly acquire two residential properties (Note) as of March 14, 2017 in addition to existing 124 properties, and there will be no change through the end of the fiscal period ending December 2017.  (Note) Regarding the acquisition of properties as of March 14, 2017, please refer to “Notice concerning Acquisition and of Assets and Entering into Leasing Contract” dated as of today.															
Units outstanding	As of the end of the 28 <sup>th</sup> fiscal period: 3,870,074 units As of the end of the 29 <sup>th</sup> fiscal period: 3,870,074 units  INV assumes that a total of 194,250 new investment units will be issued through the Public Offering (185,000 new investment units) and the Third Party Allotment (up to 9,250 new investment units), that the expected number of investment units issued and outstanding following the Public Offering as well as the Third Party Allotment will be 3,870,074 units, and that there will be no additional issuance of units thereafter through the end of the fiscal period ending December 2017.															
Interest-bearing liabilities	Balance as of the end of the 28 <sup>th</sup> fiscal period: JPY 156,669 mn Balance as of the end of the 29 <sup>th</sup> fiscal period: JPY 156,669 mn  INV assumes that New Syndicate Loan (G) and Term Loan (F) are implemented as of March 14, 2017, as mentioned in today’s release “Notice concerning Debt Financing” and no other loan is implemented.															
Operating revenues	INV expects to record rental revenues for each fiscal period as follows: <table data-bbox="523 1368 1362 1563" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">June 2017 Fiscal Period</th> <th style="text-align: center;">December 2017 Fiscal Period</th> </tr> </thead> <tbody> <tr> <td>• Rental revenues</td> <td style="text-align: center;">JPY 9,285 mn</td> <td style="text-align: center;">JPY 10,498 mn</td> </tr> <tr> <td>    (of these, hotel rents)</td> <td style="text-align: center;">(JPY 5,539 mn)</td> <td style="text-align: center;">(JPY 6,425 mn)</td> </tr> <tr> <td>        (fixed hotel rents)</td> <td style="text-align: center;">(JPY 2,644 mn)</td> <td style="text-align: center;">(JPY 3,232 mn)</td> </tr> <tr> <td>        (variable hotel rents)</td> <td style="text-align: center;">(JPY 2,895 mn)</td> <td style="text-align: center;">(JPY 3,192 mn)</td> </tr> </tbody> </table> Rental revenues in the fiscal period ending June 2017 and the fiscal period ending December 2017 are calculated based on estimates as of today from January 2017 to December 2017. In addition, INV assumes there will be no delinquencies or non-payment of rent by tenants. The majority of INV’s owned hotels use a variable rent scheme linked to performance of the relevant hotel. Hotel demand is affected by seasonal factors and the December ending fiscal periods (from July to December) which include summer holiday and autumn outing seasons tend to record higher revenue than the June ending fiscal periods (from January to June). Accordingly, rental revenue of INV tends to be higher in the December ending fiscal periods than in the June ending fiscal periods		June 2017 Fiscal Period	December 2017 Fiscal Period	• Rental revenues	JPY 9,285 mn	JPY 10,498 mn	(of these, hotel rents)	(JPY 5,539 mn)	(JPY 6,425 mn)	(fixed hotel rents)	(JPY 2,644 mn)	(JPY 3,232 mn)	(variable hotel rents)	(JPY 2,895 mn)	(JPY 3,192 mn)
	June 2017 Fiscal Period	December 2017 Fiscal Period														
• Rental revenues	JPY 9,285 mn	JPY 10,498 mn														
(of these, hotel rents)	(JPY 5,539 mn)	(JPY 6,425 mn)														
(fixed hotel rents)	(JPY 2,644 mn)	(JPY 3,232 mn)														
(variable hotel rents)	(JPY 2,895 mn)	(JPY 3,192 mn)														

Item	Assumptions		
Operating expenses	INV expects to incur property related expenses for each fiscal period as follows:		
		June 2017 fiscal period	December 2017 fiscal period
	• Facility management fees (of these, repair costs)	JPY 504 mn (JPY 33 mn)	JPY 537 mn (JPY 36 mn)
	• Taxes and other public charges	JPY 386 mn	JPY 470 mn
	• Insurance expenses	JPY 9 mn	JPY 9 mn
	• Depreciation expenses	JPY 2,277 mn	JPY 2,407 mn
	• Other expenses	JPY 403 mn	JPY 382 mn
	<u>Total property related expenses</u>	<u>JPY 3,582 mn</u>	<u>JPY 3,807 mn</u>
	INV expects to incur other operating expenses than the property related expenses for each fiscal period as follows:		
		June 2017 fiscal period	December 2017 fiscal period
	• Other operating expenses (of these, asset management fees)	JPY 434 mn (JPY 250 mn)	JPY 445 mn (JPY 250 mn)
NOI	INV expects to record net operating income for each fiscal period as follows:		
		June 2017 fiscal period	December 2017 fiscal period
	• NOI (of these, hotel NOI)	JPY 7,980 mn (JPY 5,259 mn)	JPY 9,097 mn (JPY 6,083 mn)
	(of these, residential NOI)	(JPY 2,347 mn)	(JPY 2,630 mn)
	NOI calculation method in the above table is as follows		
	• NOI = Rental Revenues - Property Related Expenses + Depreciation Expenses		
Non-operating expenses	INV expects to incur non-operating expenses for each fiscal period as follows:		
		June 2017 fiscal period	December 2017 fiscal period
	• Interest expense	JPY 378 mn	JPY 400 mn
	• Finance related costs	JPY 220 mn	JPY 192 mn
	• Other non-operating expenses (expenses relating to the issuance of new units for the public offering)	JPY 80 mn (JPY 80 mn)	- (-)
	<u>Total non-operating expenses</u>	<u>JPY 678 mn</u>	<u>JPY 592 mn</u>

Item	Assumptions
Distribution per unit	<p>The distribution per unit is calculated in accordance with the cash distribution policy as set forth in INV's Articles of Incorporation.</p> <p>With respect to the distribution for the fiscal period ending June 2017, INV expects to distribute an aggregate amount of JPY 4,798 million (distribution per unit: JPY 1,240) based on the assumption that excess profit distribution will be paid (JPY 209 million), in addition to net income for the fiscal period ending June 2017 (JPY 4,589 million) which will be used as funds.</p> <p>With respect to the distribution for the fiscal period ending December 2017, INV expects to distribute an aggregate amount of JPY 5,731 million (distribution per unit: JPY 1,481) based on the assumption that excess profit distribution will be paid (JPY 80 million), in addition to net income for the fiscal period ending December 2017 (JPY 5,651 million) which will be used as funds.</p> <p>For the fiscal periods ending June 2017 and December 2017, INV expects to record deferred gain on hedge of the interest rate swap as the valuation and conversion adjustments, etc. of JPY 151 million, which is equal to the amount for the fiscal period ended December 2016. The distribution per unit is calculated based on the assumption that fluctuation of the market value of the interest rate swap does not affect the distribution per unit.</p> <p>Distribution per unit may vary due to various factors, including changes of the assets under management, fluctuation of rent income associated with reasons such as change of tenants and occurrences of unexpected repairs.</p>

Item	Assumptions						
<p>Excess profit distribution per unit</p>	<p>INV believes maintaining the stability of cash distributions over the medium term is one of the most important factors in determining the amount of distribution for a given fiscal period, and therefore, INV has adopted the policy to make distributions in excess of profits in order to stabilize distributions, in cases where dilution of investment units or significant expenses are to be recorded in connection with, among other things, the acquisition of assets or the raising of capital, leading to a temporary decrease in distribution, taking into consideration the level of distribution per unit assuming such acquisition of assets or capital raising had contributed for a full fiscal period.</p> <p>INV may also consider making distributions in excess of profits for the purpose of decreasing the impact from corporate tax increase arising from different rules in tax and accounting practices, such as treatment on depreciation of fixed term land lease or asset retirement obligation.</p> <p>With respect to the fiscal period ending June 2017, due to one-off expenses in connection with Public Offering, Acquisition and Borrowings, earnings per unit is expected to decrease. Therefore, from the perspective of maintaining stable distributions, INV intends to make distributions in excess of profits (JPY 43 per unit) within the scope of the expected shortfall between actual earnings per unit and the simulated earnings per unit after the transactions.</p> <p>In addition, INV also intends to make distributions in excess of profits (JPY 12 per unit for the fiscal period ending June 2017, JPY 21 per unit for the fiscal period ending December 2017) in order to cope with the discrepancy between tax and accounting treatment for the fiscal period ending June 2017 and the fiscal period ending December 2017.</p> <table data-bbox="478 1052 1404 1164" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">June 2017 fiscal period</th> <th style="text-align: center;">December 2017 fiscal period</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Excess profit distribution per unit</td> <td style="text-align: center;">JPY 55</td> <td style="text-align: center;">JPY 21</td> </tr> </tbody> </table>		June 2017 fiscal period	December 2017 fiscal period	Excess profit distribution per unit	JPY 55	JPY 21
	June 2017 fiscal period	December 2017 fiscal period					
Excess profit distribution per unit	JPY 55	JPY 21					
<p>Other</p>	<p>INV assumes there will be no amendments to applicable laws and regulations, the taxation system, accounting standards and other regulations that would affect the foregoing forecasts. In addition, INV assumes there will be no unforeseen material changes in general economic trends, real estate market conditions and other trends and conditions.</p>						

### 3. Financial Statements

#### (1) Balance Sheet

(Unit: JPY thousand)

	Fiscal period ended June 30, 2016 (as of June 30, 2016)	Fiscal period ended December 31, 2016 (as of December 31, 2016)
<b>Assets</b>		
Current assets:		
Cash and bank deposits	11,322,762	8,714,907
Cash and bank deposits in trust	5,441,316	5,499,826
Accounts receivable	201	19
Rental receivables	1,375,846	1,398,433
Prepaid expenses	394,524	387,328
Consumption taxes receivable	2,672,787	-
Other	35	32
Allowance for doubtful accounts	(2,764)	(1,334)
<b>Total current assets</b>	<b>21,204,709</b>	<b>15,999,214</b>
Non-current assets:		
Property and equipment		
Buildings, at cost	85,914	85,914
Accumulated depreciation	(9,948)	(10,489)
Buildings, net	75,965	75,424
Buildings and accompanying facilities, at cost	38,862	38,862
Accumulated depreciation	(21,375)	(22,150)
Buildings and accompanying facilities, net	17,487	16,712
Structures, at cost	2,779	2,779
Accumulated depreciation	(1,401)	(1,467)
Structures, net	1,377	1,311
Land	711,834	711,834
Buildings in trust, at cost	101,837,752	102,029,376
Accumulated depreciation	(5,539,382)	(6,800,686)
Buildings in trust, net	96,298,370	95,228,689
Buildings and accompanying facilities in trust, at cost	23,193,164	23,379,828
Accumulated depreciation	(3,592,722)	(4,312,055)
Buildings and accompanying facilities in trust, net	19,600,442	19,067,773
Structures in trust, at cost	336,691	340,005
Accumulated depreciation	(147,949)	(158,426)
Structures in trust, net	188,742	181,579
Tools, furniture and fixtures in trust, at cost	500,608	651,007
Accumulated depreciation	(179,738)	(221,184)
Tools, furniture and fixtures in trust, net	320,869	429,823
Land in trust	135,384,518	135,384,518
Construction in progress in trust	46,368	-
<b>Total property and equipment, net</b>	<b>252,645,976</b>	<b>251,097,667</b>
Intangible assets		
Leasehold rights in trust	8,871,542	8,840,627
<b>Total intangible assets</b>	<b>8,871,542</b>	<b>8,840,627</b>
Investment and other assets		
Guarantee deposits	613,914	613,914
Long-term prepaid expenses	729,351	616,340
Derivatives assets	-	151,259
Other	40,640	42,851
<b>Total investments and other assets</b>	<b>1,383,905</b>	<b>1,424,366</b>
<b>Total non-current assets</b>	<b>262,901,424</b>	<b>261,362,660</b>
<b>Total assets</b>	<b>284,106,133</b>	<b>277,361,874</b>

(Unit: JPY thousand)

	Fiscal period ended June 30, 2016 (as of June 30, 2016)	Fiscal period ended December 31, 2016 (as of December 31, 2016)
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Accounts payable	188,362	182,601
Short-term loans payable	3,498,000	-
Accounts payable-other	8,957,286	51,825
Accrued expenses	186,571	166,066
Income taxes payable	605	605
Consumption taxes payable	-	460,521
Advances received	507,135	522,072
Deposits received	21,072	13,583
<b>Total current liabilities</b>	<b>13,359,034</b>	<b>1,397,276</b>
<b>Non-current liabilities:</b>		
Long-term loans payable	138,419,000	142,419,000
Tenant leasehold and security deposits in trust	2,035,843	2,030,396
Tenant leasehold and security deposits	28,663	28,663
Derivatives liabilities	227,532	-
Asset retirement obligations	31,050	31,260
<b>Total non-current liabilities</b>	<b>140,742,089</b>	<b>144,509,319</b>
<b>Total liabilities</b>	<b>154,101,123</b>	<b>145,906,596</b>
<b>Net assets</b>		
<b>Unitholders' equity:</b>		
Unitholders' capital	120,367,271	120,367,271
<b>Surplus:</b>		
Capital surplus	6,264,432	6,264,432
<b>Deduction of capital surplus</b>		
Allowance for temporary differences adjustment	*3 -	*3 (224,225)
Other deduction of capital surplus	(763,290)	(763,290)
<b>Total deduction of capital surplus</b>	<b>(763,290)</b>	<b>(987,516)</b>
Capital surplus (net)	5,501,141	5,276,915
<b>Voluntary reserve:</b>		
Reserve for temporary differences adjustment	*1 708	*1 -
Voluntary reserve	708	-
Retained earnings	4,363,420	5,659,831
<b>Total surplus</b>	<b>9,865,270</b>	<b>10,936,747</b>
<b>Total unitholders' equity</b>	<b>130,232,542</b>	<b>131,304,019</b>
<b>Valuation and translation adjustments:</b>		
Deferred gains or losses on hedges	(227,532)	151,259
<b>Total valuation and translation adjustments</b>	<b>(227,532)</b>	<b>151,259</b>
<b>Total net assets</b>	<b>*2 130,005,009</b>	<b>*2 131,455,278</b>
<b>Total liabilities and net assets</b>	<b>284,106,133</b>	<b>277,361,874</b>



## (2) Statement of Income and Retained Earnings

(Unit: JPY thousand)

	Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)	Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)
Operating revenue		
Rental revenue—real estate	*1 8,158,220	*1 9,511,466
Total operating revenue	8,158,220	9,511,466
Operating expenses		
Property related expenses	*1 2,697,986	*1 3,162,067
Asset management fees	250,000	250,000
Directors' compensation	4,800	4,800
Asset custody fees	9,128	14,026
Administrative service fees	24,010	27,890
Provision of allowance for doubtful accounts	269	1,123
Other	98,120	117,347
Total operating expenses	3,084,315	3,577,255
Operating income	5,073,905	5,934,211
Non-operating income		
Interest income	1,316	129
Interest on tax refund	1,372	6,722
Refund of consumption taxes		35,949
Other	213	385
Total non-operating income	2,902	43,186
Non-operating expenses		
Interest expenses	295,185	359,540
Loan-related costs	280,326	186,249
Investment unit issuance costs	137,270	-
Total non-operating expenses	712,782	545,789
Ordinary income	4,364,025	5,431,608
Income before income taxes	4,364,025	5,431,608
Income taxes		
Current	605	605
Deferred	-	-
Total income taxes	605	605
Net income	4,363,420	5,431,003
Retained earnings brought forward	-	228,827
Unappropriated retained earnings	4,363,420	5,659,831

## (3) Statement of Changes in Net Assets

Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)

(Unit: JPY thousand)

	Unitholders' equity							
	Unitholders' capital	Surplus						
		Capital surplus					Voluntary reserve	
		Capital surplus	Deduction of capital surplus			Capital surplus (net)	Reserve for temporary differences adjustment	Voluntary reserve
Allowance for temporary differences adjustment	Other deduction of capital surplus		Deduction of capital surplus					
Balance at the beginning of the period	82,465,438	6,264,432	-	-	-	6,264,432	-	-
Changes during the period								
Issuance of new investment units	37,901,832							
Other distributions in excess of retained earnings				(763,290)	(763,290)	(763,290)		
Reserve for temporary differences adjustment							708	708
Distributions from surplus								
Net income								
Changes other than unitholders' equity (net)								
Total changes during the period	37,901,832	-	-	(763,290)	(763,290)	(763,290)	708	708
Balance at the end of the period	120,367,271	6,264,432	-	(763,290)	(763,290)	5,501,141	708	708

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Retained earnings	Total surplus				
Balance at the beginning of the period	3,028,323	9,292,755	91,758,194	-	-	91,758,194
Changes during the period						
Issuance of new investment units			37,901,832			37,901,832
Other distributions in excess of retained earnings		(763,290)	(763,290)			(763,290)
Reserve for temporary differences adjustment	(708)	-	-			-
Distributions from surplus	(3,027,614)	(3,027,614)	(3,027,614)			(3,027,614)
Net income	4,363,420	4,363,420	4,363,420			4,363,420
Changes other than unitholders' equity (net)				(227,532)	(227,532)	(227,532)
Total changes during the period	1,335,097	572,515	38,474,348	(227,532)	(227,532)	38,246,815
Balance at the end of the period	4,363,420	9,865,270	130,232,542	(227,532)	(227,532)	130,005,009

Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)

(Unit: JPY thousand)

	Unitholders' equity							
	Unitholders' capital	Surplus						
		Capital surplus					Voluntary reserve	
		Capital surplus	Deduction of capital surplus			Capital surplus (net)	Reserve for temporary differences adjustment	Voluntary reserve
Allowance for temporary differences adjustment	Other deduction of capital surplus		Deduction of capital surplus					
Balance at the beginning of the period	120,367,271	6,264,432	-	(763,290)	(763,290)	5,501,141	708	708
Changes during the period								
Reversal of reserve for temporary differences adjustment							(708)	(708)
Distributions from surplus								
Distributions in excess of retained earnings from allowance for temporary differences adjustment			(224,225)		(224,225)	(224,225)		
Net income								
Changes other than unitholders' equity (net)								
Total changes during the period	-	-	(224,225)	-	(224,225)	(224,225)	(708)	(708)
Balance at the end of the period	120,367,271	6,264,432	(224,225)	(763,290)	(987,516)	5,276,915	-	-

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Retained earnings	Total surplus				
Balance at the beginning of the period	4,363,420	9,865,270	130,232,542	(227,532)	(227,532)	130,005,009
Changes during the period						
Reversal of reserve for temporary differences adjustment	708	-	-			-
Distributions from surplus	(4,135,302)	(4,135,302)	(4,135,302)			(4,135,302)
Distributions in excess of retained earnings from allowance for temporary differences adjustment		(224,225)	(224,225)			(224,225)
Net income	5,431,003	5,431,003	5,431,003			5,431,003
Changes other than unitholders' equity (net)				378,792	378,792	378,792
Total changes during the period	1,296,410	1,071,476	1,071,476	378,792	378,792	1,450,268
Balance at the end of the period	5,659,831	10,936,747	131,304,019	151,259	151,259	131,455,278

## (4) Statement of Cash Distribution

	Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)	Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)
I Unappropriated retained earnings	JPY 4,363,420,951	JPY 5,659,831,868
II Reversal of voluntary retained earnings		
Reversal of reserve for temporary differences adjustment	JPY 708,942	-
III Incorporation into unitholders' equity		
Of which, reversal of allowance for temporary differences adjustment	-	JPY 224,225,264
IV Distribution in excess of retained earnings		
Allowance for temporary differences adjustment	JPY 224,225,264	-
V Distributions	JPY 4,359,527,264	JPY 5,429,192,048
(Distribution per unit)	JPY 1,186	JPY 1,477
Of which, distributions of earnings	JPY 4,135,302,000	JPY 5,429,192,048
(Distributions of earnings per unit)	JPY 1,125	JPY 1,477
Of which, allowance for temporary differences adjustment	JPY 224,225,264	-
(Distributions in excess of retained earnings per unit		
(Allowance for temporary differences adjustment))	JPY 61	-
VI Retained earnings carried forward	JPY 228,827,893	JPY 6,414,556
Calculation method of distribution amount	<p>As shown above, the distribution per unit for the Reporting Period is JPY 1,186.</p> <p>With respect to profit distributions (not including distributions in excess of profit), INV decided to distribute almost all of its profit as defined in Article 136, Paragraph 1 of the Investment Trust Act, other than fractional amount per unit less than JPY 1, aiming to include the maximum amount of profit distributions in deductible expenses in accordance with Article 67-15, Paragraph 1 of the Act on Special Taxation Measures (Act No. 26, 1957). As a result, the distribution of earnings per unit (not including distributions in excess of profit per unit) is JPY 1,125.</p> <p>In addition, in accordance with the distribution policy as set forth in the Articles of Incorporation, INV makes distributions in excess of earnings of the amount that it determines as the amount equivalent to items deducted from net assets (as set forth in Article 2, Paragraph 2, Item 30 (b) of the</p>	<p>As shown above, the distribution per unit for the Reporting Period is JPY 1,477.</p> <p>With respect to profit distributions (not including Excess Profit Distribution), INV decided to distribute almost all of its profit as defined in Article 136, Paragraph 1 of the Investment Trust Act, remaining after deducting the reversal of allowance for temporary differences adjustments, other than fractional amount per unit less than JPY 1, aiming to include the maximum amount of profit distributions in deductible expenses in accordance with Article 67-15, Paragraph 1 of the Act on Special Taxation Measures (Act No. 26, 1957). As a result, the distribution of earnings per unit (not including Excess Profit Distribution per unit) is JPY 1,477.</p> <p>Furthermore, INV has decided not to make Distribution in excess of profit.</p>

	<p>Ordinance on Accountings of Investment Corporations), taking into consideration the effect of the items deducted from net assets on the distributions (the “Excess Profit Distribution”). For the Reporting Period, INV makes Distribution in excess of earnings of JPY 227 million, corresponding to deferred losses on hedges, of which, the distribution of allowance for temporary differences adjustment is JPY 224 million, and the distribution per unit of the allowance for temporary differences adjustment is JPY 61.</p>	
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## (5) Statement of Cash Flows

(Unit: JPY thousand)

	Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)	Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)
<b>Cash flows from operating activities</b>		
Income before income taxes	4,364,025	5,431,608
Depreciation and amortization	1,676,751	2,065,066
Investment unit issuance costs	137,270	-
Loan-related costs	280,326	186,249
Interest income	(1,316)	(129)
Interest expenses	295,185	359,540
Increase (decrease) in allowance for doubtful accounts	269	(1,430)
Decrease (increase) in rental receivable	(306,493)	(22,587)
Decrease (increase) in consumption taxes receivable	(1,744,762)	2,672,787
Increase (decrease) in accounts payable	7,056	(66,883)
Increase (decrease) in consumption taxes payable	-	460,521
Increase (decrease) in accounts payable-other	884,265	(881,047)
Increase (decrease) in accrued expenses	38,577	(5,946)
Increase (decrease) in advances received	33,971	14,936
Increase (decrease) in deposits received	(14,615)	(23,418)
Others, net	(34,907)	(12,451)
Subtotal	5,615,604	10,176,817
Interest income received	1,316	129
Interest expenses paid	(297,081)	(358,219)
Income taxes paid	(564)	(605)
Net cash provided by operating activities	5,319,276	9,818,122
<b>Cash flows from investing activities</b>		
Purchases of property and equipment in trust	(82,786,898)	(8,449,701)
Purchases of leasehold rights in trust	(3,055,031)	-
Repayments of tenant leasehold and security deposits in trust	(56,280)	(53,815)
Proceeds from tenant leasehold and security deposits in trust	474,368	48,371
Payments of tenant leasehold and security deposits	(574,396)	-
Other, net	(2,211)	(2,211)
Net cash used in investing activities	(86,000,448)	(8,457,356)
<b>Cash flows from financing activities</b>		
Proceeds from short-term loans payable	3,498,000	-
Repayment of short-term loans payable	(1,080,000)	(3,498,000)
Proceeds from long-term loans payable	47,800,000	4,000,000
Payments for loan-related costs	(594,356)	(53,775)
Payment of distributions of earnings	(3,014,523)	(4,118,229)
Payment of distribution in excess of retained earnings from allowance for temporary differences adjustment	-	(224,225)
Payment of other distributions in excess of retained earnings	(763,290)	-
Proceeds from issuance of investment units	37,780,441	-
Other, net	-	(15,879)
Net cash provided by (used in) financing activities	83,626,270	(3,910,109)
Net increase (decrease) in cash and cash equivalents	2,945,097	(2,549,344)
Cash and cash equivalents at beginning of period	13,818,981	16,764,078
Cash and cash equivalents at end of period	*1 16,764,078	*1 14,214,734

- (6) Notes to Concerning Going Concerns Assumption  
Not applicable
- (7) Notes to Concerning Significant Accounting Policies

1. Method of depreciation of non-current assets

(a) Property and equipment (including assets in trust)

The straight-line method is used.

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

Buildings	77 years
Buildings and accompanying facilities	8-24 years
Structures	7-18 years
Buildings in trust	2-67 years
Buildings and accompanying facilities in trust	2-33 years
Structures in trust	3-55 years
Tools, furniture and fixtures in trust	2-19 years

(b) Intangible assets

The straight-line method is used. For leasehold rights in trust (fixed-term land lease for business purposes), the straight-line method based on the lease period 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. There is no amount equivalent to property taxes that was included as part of the acquisition of real estate during the fiscal period ended December 31, 2016.

4. Method of hedge accounting

(a) Method of hedge accounting

Deferred hedge accounting is used.

(b) Hedging instrument and hedged item

Hedging instrument: interest rate swap

Hedged item: interest on borrowings

(c) Hedge policy

INV enters into derivative transactions for the purpose of hedging against the risks set forth in INV's Articles of Incorporation in accordance with its risk management policy.

(d) Method of evaluating hedge effectiveness

Hedge effectiveness is evaluated by comparing the cumulative amount of changes in cash flows of the hedging instrument and the cumulative amount of changes in cash flows of the hedged item and verifying the difference in the amounts of change of both the hedged item and the hedging instrument.

5. 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 not subject to significant risks of changes in value.

6. 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 bank deposits in trust

(b) Buildings in trust

Buildings and accompanying facilities in trust

Structures in trust

Tools, furniture and fixtures in trust

Land in trust

Construction in progress in trust

(c) Leasehold rights in trust

(d) Tenant leasehold and security deposits in trust

(ii) Accounting treatment of deferred assets

Investment unit issuance costs

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 Sheet)

\*1. Matters concerning treatment of reversal of reserve for temporary differences adjustment.

Fiscal period ended June 30, 2016 (as of June 30, 2016)

INV plans to reverse all of the reserve for temporary differences adjustment in the amount of JPY 708 thousand, and use the funds as part of the profit distributions to be made in the next fiscal period.

Fiscal period ended December 31, 2016 (as of December 31, 2016)

INV reversed all of the reserve for temporary differences adjustment in the amount of JPY 708 thousand, and used the funds as part of the profit distributions.

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

(Unit: JPY thousand)	
Fiscal period ended June 30, 2016 (as of June 30, 2016)	Fiscal period ended December 31, 2016 (as of December 31, 2016)
50,000	50,000



\*3. Allowance for temporary differences adjustment

Fiscal period ended June 30, 2016 (as of June 30, 2016)

Not applicable

Fiscal period ended December 31, 2016 (as of December 31, 2016)

1. Reasons, related assets and amounts

(Unit: JPY thousand)

Related assets, etc.	Reason	Initial amount	Balance at the end of previous period	Allowance set aside during period	Reversal during period	Balance at the end of current period	Reason for reversal
Deferred gains or losses on hedges	Loss on interest-rate swaps recognized	(224,225)	-	(224,225)	-	(224,225)	-
Total		(224,225)	-	(224,225)	-	(224,225)	-

2. Method of reversal

(1) Deferred gains or losses on hedges

Based on changes in the fair value of derivatives used as hedging instruments, the corresponding amount is scheduled to be reversed.

(Notes to Statement of Income and Retained Earnings)

\*1. Real estate rental revenues and expenses

	(Unit: JPY thousands)	
	Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)	Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)
A. Real estate rental revenues		
Rental revenue-real estate		
Rent/common area charges	7,889,877	9,237,784
Other revenues	268,342	273,682
Total	8,158,220	9,511,466
B. Real estate rental expenses		
Property related expenses		
Maintenance costs	554,149	580,896
Taxes and public dues	281,065	356,372
Insurance expenses	12,669	11,807
Depreciation expenses	1,676,736	2,065,066
Other expenses	173,364	147,924
Total	2,697,986	3,162,067
C. Real estate rental income (A-B)	5,460,234	6,349,399

(Notes to Statement of Changes in Net Assets)

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

	Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)	Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)
Number of issuable investment units	10,000,000 units	10,000,000 units
Number of investment units issued and outstanding	3,675,824 units	3,675,824 units

(Notes to Statement of Cash Flows)

\*1. Relationship between cash and cash equivalents in statement of cash flows and amounts in accompanying balance sheet is as follows:.

	(Unit: JPY thousands)	
	Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)	Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)
Cash and bank deposits	11,322,762	8,714,907
Cash and bank deposits in trust	5,441,316	5,499,826
Cash and cash equivalents	16,764,078	14,214,734

(Notes Related to Lease Transactions)

Operating lease transactions (as lessee)  
Unexpired lease fees

(Unit: JPY thousand)

	Fiscal period ended June 30, 2016 (as of June 30, 2016)	Fiscal period ended December 31, 2016 (as of December 31, 2016)
Due within one year	244,619	244,619
Due after one year	7,490,299	7,367,989
Total	7,734,918	7,612,609

Operating lease transactions (as lessor)  
Unexpired lease fees

(Unit: JPY thousand)

	Fiscal period ended June 30, 2016 (as of June 30, 2016)	Fiscal period ended December 31, 2016 (as of December 31, 2016)
Due within one year	5,988,176	5,988,176
Due after one year	50,718,568	47,412,300
Total	56,706,745	53,400,477

(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 borrowing loans.

Derivative transactions are to be entered into for the purpose of hedging against the risk of future interest rate increases, etc. and not for speculation.

Surplus funds are managed 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 trust beneficiary interest in real estate (including related acquisition costs) and for the refinancing of existing loan. Liquidity risks relating to loan 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 determined through a reasonable estimate. Since certain assumptions, etc. are used in estimating the fair value, different assumptions, etc. may result in the variance of such value.

2. Estimated fair value of financial instruments

Fiscal period ended June 30, 2016 (As of June 30, 2016)

Book value, fair value and the difference between values as of June 30, 2016 are as follows.

(Unit: JPY thousand)

	Book Value	Fair Value	Difference
(1) Cash and bank deposits	11,322,762	11,322,762	-
(2) Cash and bank deposits in trust	5,441,316	5,441,316	-
Total assets	16,764,078	16,764,078	-
(3) Short-term loans	(3,498,000)	(3,498,000)	-
(4) Accounts payable	(8,957,286)	(8,957,286)	-
(5) Long-term loans	(138,419,000)	(138,419,000)	-
Total liabilities	(150,874,286)	(150,874,286)	-
(6) Derivatives	(227,532)	(227,532)	-

Fiscal period ended December 31, 2016 (As of December 31, 2016)

Book value, fair value and the difference between values as of December 31, 2016 are as follows.

(Unit: JPY thousand)

	Book Value	Fair Value	Difference
(1) Cash and bank deposits	8,714,907	8,714,907	-
(2) Cash and bank deposits in trust	5,499,826	5,499,826	-
Total assets	14,214,734	14,214,734	-
(3) Short-term loans	-	-	-
(5) Long-term loans	(142,419,000)	(142,419,000)	-
Total liabilities	(142,419,000)	(142,419,000)	-
(6) Derivatives	151,259	151,259	-

(Note 1) Items recorded in the Liabilities Section are shown in parenthesis.

(Note 2) Receivables and payables arising from derivative transactions are recorded in net amounts, and if the total net amount is a negative amount, such amount is shown in parenthesis.

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

- (1) Cash and bank deposits    (2) Cash and bank deposits in trust    (3) Short-term loans    (4) Accounts payable  
 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.
- (5) Long-term loans  
 Long-term loan with floating interest rates reflecting changes in market rates within a short term period are stated at their book value as their book value approximate their fair value.
- (6) Derivatives  
 Please refer to the “Notes Related to Derivative Transactions” below.

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

(Unit: JPY thousand)

	Fiscal period ended June 30, 2016 (as of June 30, 2016)	Fiscal period ended December 31, 2016 (as of December 31, 2016)
Tenant leasehold and security deposits	28,663	28,663
Tenant leasehold and security deposits in trust	2,035,843	2,030,396

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 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

Fiscal period ended June 30, 2016 (As of June 30, 2016)

(Unit: JPY thousand)

	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 bank deposits	11,322,762	-	-	-	-	-
Cash and bank deposits in trust	5,441,316	-	-	-	-	-
Total	16,764,078	-	-	-	-	-

Fiscal period ended December 31, 2016 (As of December 31, 2016)

(Unit: JPY thousand)

	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 bank deposits	8,714,907	-	-	-	-	-
Cash and bank deposits in trust	5,499,826	-	-	-	-	-
Total	14,214,734	-	-	-	-	-

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

Fiscal period ended June 30, 2016 (As of June 30, 2016)

(Unit: JPY thousand)

	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
Short-term loans	3,498,000	-	-	-	-	-
Long-term loans	-	-	46,663,000	44,094,000	47,662,000	-
Total	3,498,000	-	46,663,000	44,094,000	47,662,000	-

Fiscal period ended December 31, 2016 (As of December 31, 2016)

(Unit: JPY thousand)

	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
Short-term loans	-	-	-	-	-	-
Long-term loans	-	28,979,000	51,045,000	42,012,000	20,383,000	-
Total	-	28,979,000	51,045,000	42,012,000	20,383,000	-

(Notes Related to Investment Securities)  
Not applicable

(Notes Related to Derivative Transactions)

1. Derivative transactions to which hedge accounting is not applied

Fiscal period ended June 30, 2016 (As of June 30, 2016)

Not applicable

Fiscal period ended December 31, 2016 (As of December 31, 2016)

Not applicable

2. Derivative transactions to which hedge accounting is applied

Fiscal period ended June 30, 2016 (As of June 30, 2016)

The contract amount as of the closing date under each hedge-accounting method and the amount equivalent to the notional principal prescribed in the contracts are as shown below.

(Unit: JPY thousand)

Method of hedge accounting	Derivative transaction type, etc.	Primary hedged item	Contract amount, etc. (*1)		Fair value (*2)
				Amount due after one year	
Principle accounting method	Interest rate swap Receive floating rate/pay fixed rate	Long-term loans	99,119,000	99,119,000	(227,532)

(Note 1) The contract amount, etc. is stated based on a notional principal.

(Note 2) The fair value is estimated based on the price, etc. presented by the correspondent financial institutions.

Fiscal period ended December 31, 2016 (As of December 31, 2016)

The contract amount as of the closing date under each hedge-accounting method and the amount equivalent to the notional principal prescribed in the contracts are as shown below.

(Unit: JPY thousand)

Method of hedge accounting	Derivative transaction type, etc.	Primary hedged item	Contract amount, etc. (*1)		Fair value (*2)
				Amount due after one year	
Principle accounting method	Interest rate swap Receive floating rate/pay fixed rate	Long-term loans	99,119,000	99,119,000	151,259

(Note 1) The contract amount, etc. is stated based on a notional principal.

(Note 2) The fair value is estimated based on the price, etc. presented by the correspondent financial institutions.

(Notes Related to Retirements Payments)

Not applicable

(Notes Related to Asset Retirement Obligations)

1. Summary of the asset retirement obligations for the period  
INV has recorded asset retirement obligations in regard to its obligation to restore the land to its original condition related to the fixed-term land lease agreement of Comfort Hotel Maebashi held by INV.
2. Calculation method for asset retirement obligations for the period  
The amount of the asset retirement obligations has been calculated by estimating the period of use at 43 years, based on the remaining period until the expiration of the fixed-term land lease agreement, and by using a discount rate of 1.342%.

3. Increase/decrease in the total amount of asset retirement obligations

(Unit: JPY thousand)

	Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)	Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)
Balance at the beginning of the period	-	31,050
Increase due to the acquisition of properties	30,868	-
Accretion expense	182	209
Balance at the end of the period	31,050	31,260

(Notes Related to Segment and Related Information)

I. Segment Information

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

II. Related Information

Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)

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 and equipment

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

3. Information about each major customer

(Unit: JPY thousand)

Name of customer	Operating revenues	Related segment
MyStays Hotel Management Co., Ltd.	3,389,166	Real Estate Investment

Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)

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 and equipment

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

3. Information about each major customer

(Unit: JPY thousand)

Name of customer	Operating revenues	Related segment
MyStays Hotel Management Co., Ltd.	4,043,845	Real Estate Investment
Naqua Hotel & Resorts Management Co., Ltd.	1,040,790	Real Estate Investment



## (Notes Related to Rental Properties)

INV owns residential properties and hotels as core assets as well as other various properties including offices and commercial facilities principally in the Tokyo area and major regional cities in order to establish a portfolio which focuses on both stability and growth potential. The book value changed during the period and balance at the end of the period are as follows.

(Unit: JPY thousand)

			Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)	Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)
Residences	Book value	Balance at the beginning of the period	60,305,706	68,274,496
		Change during the period	7,968,789	(438,657)
		Balance at the end of the period	68,274,496	67,835,839
	Fair value at the end of the period		77,214,000	77,843,000
Offices	Book value	Balance at the beginning of the period	8,487,876	8,470,387
		Change during the period	(17,489)	(29,405)
		Balance at the end of the period	8,470,387	8,440,981
	Fair value at the end of the period		7,219,000	7,406,000
Commercial facilities	Book value	Balance at the beginning of the period	5,134,083	5,087,525
		Change during the period	(46,557)	(38,298)
		Balance at the end of the period	5,087,525	5,049,226
	Fair value at the end of the period		5,840,000	5,890,000
Parking lots	Book value	Balance at the beginning of the period	100,821	100,820
		Change during the period	(1)	(1)
		Balance at the end of the period	100,820	100,819
	Fair value at the end of the period		113,000	113,000
Hotels	Book value	Balance at the beginning of the period	95,223,054	179,537,920
		Change during the period	84,314,865	(1,026,493)
		Balance at the end of the period	179,537,920	178,511,427
	Fair value at the end of the period		232,905,000	236,940,000
Total	Book value	Balance at the beginning of the period	169,251,542	261,471,150
		Change during the period	92,219,607	(1,532,855)
		Balance at the end of the period	261,471,150	259,938,294
	Fair value at the end of the period		323,291,000	328,192,000

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

(Note 2) The major factors for the increase for the fiscal period ended June 30, 2016 were acquisition of residential properties/hotels, capital expenditures related to construction work, and the major factor of the decrease was depreciation. The major factors for the increase for the fiscal period ended December 31, 2016 was capital expenditures related to construction work, and the major factor for 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., Tanizawa Sogo Appraisal Co., Ltd., and Daiwa Real Estate Appraisal Co., Ltd.

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

(Notes Related to Tax Accounting)

1. Significant components of deferred tax assets and liabilities

(Unit: JPY thousand)

	Fiscal period ended June 30, 2016	Fiscal period ended December 31, 2016
(Deferred tax assets - current assets)		
Enterprise tax payable	481	661
Accounts receivable (merger)	183	—
Allowance for doubtful accounts	877	423
Subtotal	1,542	1,084
Valuation allowance	1,542	1,084
Total	—	—
(Deferred tax assets, net)	—	—
(Deferred tax assets - non-current assets)		
Buildings and other (merger)	711,143	700,210
Land (merger)	2,092,087	2,092,087
Deferred gains/losses on hedges	72,218	—
Loss carried forward	7,200,289	7,200,289
Asset retirement obligations	9,855	9,921
Depreciation of fixed-term leasehold rights	—	16,248
Subtotal	10,085,594	10,018,757
(Deferred tax liabilities – non-current liabilities)		
Removal expenses included in asset retirement obligations	9,797	9,797
Deferred gains or losses on hedges	—	48,009
Subtotal	9,797	57,807
Valuation allowance	10,075,797	9,960,950
Total	—	—
(Deferred tax assets, net)	—	—

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

(Unit: %)

	Fiscal period ended June 30, 2016	Fiscal period ended December 31, 2016
Statutory tax rate	32.31	31.74
Deductible cash distributions	(32.21)	(31.71)
Changes in valuation allowance	(2.72)	(0.09)
Others	2.63	0.08
Effective tax rate	0.01	0.01

(Notes Related to Equity-Method Income)

Not applicable

## (Notes Related to Transactions with Related Parties)

## 1. Transactions with Parent Company and Major Unitholders

Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)

Classification	Name	Address	Stated capital (JPY million)	Business or occupation	Percentage of voting rights owned (%)	Relationship		Type of transaction	Transaction amount (JPY thousand) (Note 1)	Account	Balance at the end of the period (JPY thousand) (Note 1)
						Common board member	Business relationship				
Interested party of the Asset Manager	Aki Tokutei Mokuteki Kaisha	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)	3,160,000	-	-
	Navaro Tokutei Mokuteki Kaisha	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)	20,155,000	-	-
	Momo Tokutei Mokuteki Kaisha	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)	7,934,000	-	-
	Tsuki Tokutei Mokuteki Kaisha	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)	24,674,000	-	-
	Septentrio Tokutei Mokuteki Kaisha	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)	12,588,600	-	-
	Septentrio 2 Tokutei Mokuteki Kaisha	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)	4,196,199	-	-
	Septentrio 3 Tokutei Mokuteki Kaisha	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)	4,196,199	-	-
	Ginga Tokutei Mokuteki Kaisha	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)	13,761,000	Accounts payable	8,800,548
	Wakusei Tokutei Mokuteki Kaisha	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)	2,139,000	-	-
	Naqua Hotel & Resorts Management Co., Ltd.	Minato-ku, Tokyo	10	Hotel business	-	-	Lessee and operator of hotels	Rental revenues	627,563	Accounts receivable	220,811
MyStays Hotel Management Co., Ltd.	Minato-ku, Tokyo	100	Hotel business	-	-	Lessee and operator of hotels	Rental revenues	3,389,166	Accounts receivable	990,543	

(Note 1) Consumption taxes, etc., 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) Aki Tokutei Mokuteki Kaisha, Navaro Tokutei Mokuteki Kaisha, Momo Tokutei Mokuteki Kaisha, Tsuki Tokutei Mokuteki Kaisha, Septentrio Tokutei Mokuteki Kaisha, Septentrio 2 Tokutei Mokuteki Kaisha, Septentrio 3 Tokutei Mokuteki Kaisha, Ginga Tokutei Mokuteki Kaisha, Wakusei Tokutei Mokuteki Kaisha, Naqua Hotel & Resorts Management Co., Ltd., and MyStays Hotel Management Co., Ltd. have no capital relationship to be disclosed with the Asset Manager. The Tokutei Mokuteki Kaisha or the lessee and operator have received an anonymous partnership investment or investment through funds that are managed by affiliates of Fortress Investment Group LLC (“FIG”), an affiliate of Calliope. Accordingly, INV treats Aki Tokutei Mokuteki Kaisha, Navaro Tokutei Mokuteki Kaisha, Momo Tokutei Mokuteki Kaisha, Tsuki Tokutei Mokuteki Kaisha, Septentrio Tokutei Mokuteki Kaisha, Septentrio 2 Tokutei Mokuteki Kaisha, Septentrio 3 Tokutei Mokuteki Kaisha, Ginga Tokutei Mokuteki Kaisha, Wakusei Tokutei Mokuteki Kaisha, Naqua Hotel & Resorts Management Co., Ltd., and MyStays Hotel Management Co., Ltd. as the equivalent to interested parties.
- (Note 4) Calliope holds 609,942 units (holding percentage: 16.6%) of the issued investment units of INV.
- (Note 5) The purchase of trust beneficiary interests pertains to the following properties. The transaction amount is the purchase price stated in the trust beneficiary purchase agreement, to which other expenses for acquisition, property taxes, city planning taxes and consumption taxes are not included.

Property Number	Name of Property	Counterparty	Purchase Price (JPY thousand)
A103	Royal Parks Momozaka	Momo Tokutei Mokuteki Kaisha	2,910,000
A104	Royal Parks Shinden	Momo Tokutei Mokuteki Kaisha	5,024,000
D38	Hotel MyStays Shinsaibashi	Aki Tokutei Mokuteki Kaisha	3,160,000
D39	Comfort Hotel Kurosaki	Navaro Tokutei Mokuteki Kaisha	1,148,000
D40	Comfort Hotel Maebashi	Navaro Tokutei Mokuteki Kaisha	1,128,000
D41	Comfort Hotel Tsubame-Sanjo	Navaro Tokutei Mokuteki Kaisha	1,010,000
D42	Comfort Hotel Kitami	Navaro Tokutei Mokuteki Kaisha	851,000
D43	Hotel MyStays Gotanda Station	Tsuki Tokutei Mokuteki Kaisha	24,674,000
D44	Hotel Epinard Nasu	Sepentrio Tokutei Mokuteki Kaisha Sepentrio 2 Tokutei Mokuteki Kaisha Sepentrio 3 Tokutei Mokuteki Kaisha	20,981,000
D45	Hotel MyStays Fukuoka Tenjin	Navaro Tokutei Mokuteki Kaisha	8,059,000
D46	Hotel MyStays Hamamatsucho	Navaro Tokutei Mokuteki Kaisha	7,959,000
D47	Hotel MyStays Premier Kanazawa (Note)	Ginga Tokutei Mokuteki Kaisha	13,761,000
D48	Takamatsu Tokyo REI Hotel	Wakusei Tokutei Mokuteki Kaisha	2,139,000
Total			92,804,000

(Note) The property name was changed from Hotel MyStays Kanazawa on October 1, 2016.

Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)

Classification	Name	Address	Stated capital (JPY million)	Business or occupation	Percentage of voting rights owned (%)	Relationship		Type of transaction	Transaction amount (JPY thousand) (Note 1)	Account	Balance at the end of the period (JPY thousand) (Note 1)
						Common board member	Business relationship				
Interested party of the Asset Manager	Ginga Tokutei Mokuteki Kaisha (Note 2)	Minato-ku, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Payment of accounts payable	8,800,548	Accounts payable	-
	Naqua Hotel & Resorts Management Co., Ltd. (Note 2)	Minato-ku, Tokyo	10	Hotel business	-	-	Lessee and operator of hotels	Rental revenues	1,040,790	Accounts receivable	92,474
	MyStays Hotel Management Co., Ltd. (Note 2)	Minato-ku, Tokyo	100	Hotel business	-	-	Lessee and operator of hotels	Rental revenues	4,043,845	Accounts receivable	1,146,414

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

(Note 2) Ginga Tokutei Mokuteki Kaisha, Naqua Hotel & Resorts Management Co., Ltd., and MyStays Hotel Management Co., Ltd. have no capital relationship to be disclosed with the Asset Manager. The tenant and operator have received an anonymous partnership investment or investment through funds that are managed by affiliates of Fortress Investment Group LLC ("FIG"), an affiliate of Calliope. Accordingly, INV treats Ginga Tokutei Mokuteki Kaisha, Naqua Hotel & Resorts Management Co., Ltd., and MyStays Hotel Management Co., Ltd. as the equivalent to interested parties.

(Note 3) Calliope holds 609,942 units (holding percentage: 16.6%) of the issued investment units of INV.

2. Transactions with Affiliates

None for both the fiscal period ended June 30, 2016 and the fiscal period ended December 31, 2016

3. Transactions with Companies under Common Control

None for both the fiscal period ended June 30, 2016 and the fiscal period ended December 31, 2016.

#### 4. Transactions with Directors and Major Unitholders

Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)

Classification	Name	Business or occupation	Ratio of voting rights (%)	Details of transaction	Transaction amount (JPY thousand) (Note 3)	Account	Balance at the end of the period (JPY thousand) (Note 3)
Directors and close relatives	Naoki Fukuda	Executive Director of INV and President & CEO of Consonant Investment Management Co., Ltd.	-	Payment of asset management fees to Consonant Investment Management Co., Ltd. (Note 1)	259,280	Accrued expenses	135,000
Same as above	Same as above	Same as above	-	Payment of administrative agency fees for organizational management to Consonant Investment Management Co., Ltd. (Note 2)	600	Accrued expenses	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 INV.

(Note 2) Naoki Fukuda served as a representative of the third party (the Asset Manager), and the fee is as set forth in "Administrative Agency Agreement for Organizational Management," entered into by and between INV and the Asset Manager.

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

Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)

Classification	Name	Business or occupation	Ratio of voting rights (%)	Details of transaction	Transaction amount (JPY thousand) (Note 3)	Account	Balance at the end of the period (JPY thousand) (Note 3)
Directors and close relatives	Naoki Fukuda	Executive Director of INV and President & CEO of Consonant Investment Management Co., Ltd.	-	Payment of asset management fees to Consonant Investment Management Co., Ltd. (Note 1)	250,000	Accrued expenses	135,000
Same as above	Same as above	Same as above	-	Payment of administrative agency fees for organizational management to Consonant Investment Management Co., Ltd. (Note 2)	600	Accrued expenses	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 INV.

(Note 2) Naoki Fukuda served as a representative of the third party (the Asset Manager), and the fee is as set forth in "Administrative Agency Agreement for Organizational Management," entered into by and between INV and the Asset Manager.

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

## (Notes Related to Per Unit Information)

	Fiscal period ended June 30, 2016 (from January 1, 2016 to June 30, 2016)	Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)
Net assets per unit	JPY 35,368	JPY 35,762
Net income per unit	JPY 1,270	JPY 1,477

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, 2016 (from January 1, 2016 to June 30, 2016)	Fiscal period ended December 31, 2016 (from July 1, 2016 to December 31, 2016)
Net income for the fiscal period ended December 31, 2016 (JPY thousand)	4,363,420	5,431,003
Amounts not attributable to common unitholders (JPY thousand)	-	-
Net income attributable to common units (JPY thousand)	4,363,420	5,431,003
Average number of investment units during the period (units)	3,436,572	3,675,824

## (Notes Related to Significant Subsequent Events)

## 1. Issuance of New Investment Units

INV decided on the issuance of new investment units and secondary offering of investment units at its board of directors' meeting on February 22, 2017. Issue price per unit and other details are scheduled to be determined at future board of directors' meeting.

## (1) Issuance of new investment units through Public Offering

Number of new investment units to be issued: 185,000 units

## (2) Secondary offering of Investment Units (by way of over-allotment)

Number of investment units to be offered: 9,250 units

## 2. Borrowing of Funds

In order to raise a part of the funds to be used for the acquisition of trust beneficiary interests for the two residential properties to be acquired on March 14, 2017 (see "3. Acquisition of Assets" below), INV decided on the implementation of the following borrowings at its board of directors' meeting held on February 22, 2017.

## Term Loan (G)

Lender	: Syndicate formed by Mizuho Bank, Ltd.
Borrowing amount	: JPY 11,250 million
Interest rate, etc.	: Base Rate (1-month JPY TIBOR) + 0.40%, 0.50%, 0.60%
Interest payment date	: (i) The last Japanese business day of each month before the principal maturity date, beginning with March 31, 2017, and (ii) the principal maturity date
Principal repayment method	: Lump-sum repayment
Borrowing method	: Unsecured / with no guarantee
Borrowing date	: March 14, 2017
Maturity date	: March 14, 2020, March 14, 2021, March 14, 2022



Term Loan (F)

Lender	: Sumitomo Mitsui Banking Corporation
Borrowing amount	: JPY 3,000 million
Interest rate, etc.	: Base Rate (1-month JPY TIBOR) + 0.45%
Interest payment date	: (i) The last Japanese business day of each month before the principal maturity date, beginning with March 31, 2017, and (ii) the principal maturity date
Principal repayment method	: Lump-sum repayment
Borrowing method	: Unsecured / with no guarantee
Borrowing date	: March 14, 2017
Maturity date	: September 14, 2020

3. Acquisition of Assets

INV decided to acquire the following two properties (total acquisition price of JPY 24,562 million) on February 22, 2017.

Property Number: A105 Property Name: Royal Park Tower Minami-Senju

Anticipated Acquisition Date	March 14, 2017
Acquisition Price (Note)	JPY 21,879 million
Location	Minami-Senju 4-chome, Arakawa-ku, Tokyo
Completion Date	May 2008
Legal Form of Asset	Trust beneficiary interest
Seller	Sakura Tokutei Mokuteki Kaisha
Total Floor Area	47,424.89m <sup>2</sup>
Leasable Area	39,113.46m <sup>2</sup>

Property Number: A106 Property Name: Royal Park Seasir Minami-Senju

Anticipated Acquisition Date	March 14, 2017
Acquisition Price (Note)	JPY 2,683 million
Location	Minami-Senju 3-chome, Arakawa-ku, Tokyo
Completion Date	August 2006
Legal Form of Asset	Trust beneficiary interest
Seller	Momo Tokutei Mokuteki Kaisha
Total Floor Area	7,248.10m <sup>2</sup>
Leasable Area	6,496.86m <sup>2</sup>

(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.

## (10) Changes in Total 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	Total Number of Investment Units Issued and Outstanding		Unitholders' Equity (JPY)		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, 2004	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)
July 15, 2015	Public offering	500,000	3,168,686	27,970,500,000	81,066,913,980	(Note 12)
August 12, 2015	Third-party allotment	25,000	3,193,686	1,398,525,000	82,465,438,980	(Note 13)
March 30, 2016	Public offering	459,512	3,653,198	36,123,157,344	118,588,596,324	(Note 14)
April 27, 2016	Third-party allotment	22,626	3,675,824	1,778,675,112	120,367,271,436	(Note 15)

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

(Note 2) New investment units were issued in a private placement at a price of JPY 375,000 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 JPY 395,000 per unit (JPY 375,250 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 JPY 385,140 per unit (JPY 369,734 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 JPY 348,740 per unit (JPY 332,045 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 JPY 9,837 per unit to make repayment of existing loan, etc.
- (Note 9) New investment units were issued in a third party allotment at a price of JPY 13,340 per unit to make repayment of existing loan, etc.
- (Note 10) New investment units were issued in a public offering at a price of JPY 22,688 per unit (JPY 21,873 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 JPY 21,873 per unit for the purpose of cash reserve to appropriate to repayment in future borrowings.
- (Note 12) New investment units were issued in a public offering at a price of JPY 57,817 per unit (JPY 55,941 after deducting the underwriters' discount) to raise a part of the funds for the acquisition of new properties.
- (Note 13) New investment units were issued in a third party allotment at a price of JPY 55,941 per unit for the purpose of allocation to cash reserves to be used as part of the funds for future acquisition of properties.
- (Note 14) New investment units were issued in a public offering at a price of JPY 81,217 per unit (JPY 78,612 after deducting the underwriters' discount) to raise a part of the funds for the acquisition of new properties.
- (Note 15) New investment units were issued in a third party allotment at a price of JPY 78,612 per unit for the purpose of allocation to cash reserves to be used as a part of the funds for future acquisition of properties.

#### 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)	Fiscal period ended June 30, 2016 (as of June 30, 2016)		Fiscal period ended December 31, 2016 (as of December 31, 2016)	
			Amount held (JPY million) (Note 2)	Percentage of total assets (%)	Amount held (JPY million) (Note 2)	Percentage of total assets (%)
Real estate	Residences	Greater Tokyo area	-	-	-	-
		Major regional cities	-	-	-	-
		Subtotal	-	-	-	-
	Offices/Commercial Facilities	Greater Tokyo area	705	0.2	704	0.3
		Major regional cities	-	-	-	-
		Subtotal	705	0.2	704	0.3
	Parking lots, etc.	Greater Tokyo area	100	0.0	100	0.0
		Major regional cities	-	-	-	-
		Subtotal	100	0.0	100	0.0
	Hotels	Greater Tokyo area	-	-	-	-
		Major regional cities	-	-	-	-
		Subtotal	-	-	-	-
Total real estate			806	0.3	805	0.3
Real estate in trust	Residences	Greater Tokyo area	51,860	18.3	51,610	18.6
		Major regional cities	16,413	5.8	16,225	5.8
		Subtotal	68,274	24.0	67,835	24.5
	Offices/Commercial Facilities	Greater Tokyo area	7,023	2.5	7,002	2.5
		Major regional cities	5,828	2.1	5,782	2.1
		Subtotal	12,852	4.5	12,785	4.6
	Parking lots, etc.	Greater Tokyo area	-	-	-	-
		Major regional cities	-	-	-	-
		Subtotal	-	-	-	-
	Hotels	Greater Tokyo area	102,445	36.1	102,297	36.8
		Major regional cities	77,092	27.1	76,214	27.5
		Subtotal	179,537	63.2	178,511	64.4
Total real estate in trust			260,664	91.7	259,133	93.4
Deposits and other assets			22,634	8.0	17,423	6.3
Total assets (Note 3)			284,106 (261,471)	100.0 (92.0)	277,361 (259,938)	100.0 (93.7)

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

(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 figures indicated in parenthesis under "Total assets" show the amounts related to owned real estate.

	Fiscal period ended June 30, 2016 (as of June 30, 2016)		Fiscal period ended December 31, 2016 (as of December 31, 2016)	
	Amount (JPY million)	Percentage of total assets (%)	Amount (JPY million)	Percentage of total assets (%)
Total Liabilities	154,101	54.2	145,906	52.6
Total Net Assets	130,005	45.8	131,455	47.4
Total Liabilities and Net Assets	284,106	100.0	277,361	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, 2016.

a Price and investment percentage

Property number (Note 1)	Name of property	Location (Note 2)	Legal form of asset	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value as of December 31, 2016 (JPY million) (Note 5)	
A26	Nisshin Palacestage Daitabashi	1-31-2 Izumi, Suginami-ku, Tokyo	Trust beneficiary interests	1,251	1,123	0.5	1,150	(Note 6)
A27	Nisshin Palacestage Higashi-Nagasaki	5-4-1 Nagasaki, Toshima-ku, Tokyo	Trust beneficiary interests	1,229	1,092	0.5	1,270	(Note 6)
A28	Growth Maison Gotanda	2-26-6 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interests	888	827	0.3	994	(Note 6)
A29	Growth Maison Kameido	6-58-16 Kameido, Koto-ku, Tokyo	Trust beneficiary interests	1,070	984	0.4	1,110	(Note 6)
A30	Emerald House	3-27-18 Itabashi, Itabashi-ku, Tokyo	Trust beneficiary interests	1,505	1,374	0.6	1,380	(Note 6)
A31	Harmonie Ochanomizu	2-5-5 Yushima, Bunkyo-ku, Tokyo	Trust beneficiary interests	1,428	1,355	0.5	1,330	(Note 6)
A32	Suncrest Shakujii-Koen	3-15-35 Takanodai, Nerima-ku, Tokyo	Trust beneficiary interests	1,088	1,090	0.4	1,070	(Note 6)
A33	Growth Maison Shin-Yokohama	3-16-2 Shin-Yokohama, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	1,059	966	0.4	1,180	(Note 6)
A34	Belle Face Ueno-Okachimachi	1-27-5 Higashi-Ueno, Taito-ku, Tokyo	Trust beneficiary interests	1,023	956	0.4	1,040	(Note 6)
A35	Grand Rire Kameido	3-39-12 Kameido, Koto-ku, Tokyo	Trust beneficiary interests	906	829	0.3	979	(Note 6)
A36	Growth Maison Ikebukuro	3-31-14 Nishi-Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interests	825	752	0.3	882	(Note 6)
A37	Growth Maison Yoga	1-15-15 Okamoto, Setagaya-ku, Tokyo	Trust beneficiary interests	795	750	0.3	703	(Note 6)
A38	Route Tachikawa	3-7-6 Nishikicho, Tachikawa-shi, Tokyo	Trust beneficiary interests	676	641	0.3	641	(Note 6)
A39	Shibuya-Honmachi Mansion	2-35-2 Honmachi, Shibuya-ku, Tokyo	Trust beneficiary interests	651	655	0.2	624	(Note 6)
A40	City Heights Kinuta	4-13-15 Kinuta, Setagaya-ku, Tokyo	Trust beneficiary interests	646	650	0.2	492	(Note 6)
A41	Acseeds Tower Kawaguchi-Namiki	2-5-13 Namiki, Kawaguchi-shi, Saitama	Trust beneficiary interests	620	546	0.2	716	(Note 6)
A42	Capital Heights Kagurazaka	71-1 Enokicho, Shinjuku-ku, Tokyo	Trust beneficiary interests	604	621	0.2	567	(Note 6)
A43	College Square Machida	3-4-4 Nakamachi, Machida-shi, Tokyo	Trust beneficiary interests	589	562	0.2	534	(Note 6)
A44	Belair Meguro	1-2-15 Meguro, Meguro-ku, Tokyo	Trust beneficiary interests	589	561	0.2	601	(Note 6)
A45	Wacore Tsunashima I	2-7-47 Tarumachi, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	572	531	0.2	515	(Note 6)
A46	Foros Nakamurabashi	1-6-6 Kouyama, Nerima-ku, Tokyo	Trust beneficiary interests	566	524	0.2	566	(Note 6)
A47	Growth Maison Kaijin	5-29-51 Kaijin, Funabashi-shi, Chiba	Trust beneficiary interests	557	523	0.2	449	(Note 6)

Property number (Note 1)	Name of property	Location (Note 2)	Legal form of asset	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value as of December 31, 2016 (JPY million) (Note 5)	
A48	College Square Machiya	7-3-1 Arakawa, Arakawa-ku, Tokyo	Trust beneficiary interests	510	460	0.2	536	(Note 6)
A51	City House Tokyo Shinbashi	6-19-1 Shinbashi, Minato-ku, Tokyo	Trust beneficiary interests	2,520	2,342	0.9	3,160	(Note 7)
A52	Winbell Kagurazaka	6-15 Shin-Ogawacho, Shinjuku-ku, Tokyo	Trust beneficiary interests	3,260	3,063	1.2	3,850	(Note 8)
A53	Nishiwaseda Crescent Mansion	3-18-9 Nishi-Waseda, Shinjuku-ku, Tokyo	Trust beneficiary interests	1,880	1,883	0.7	2,400	(Note 8)
A54	Lexington Square Akebonobashi	3-8 Yochomachi, Shinjuku-ku, Tokyo	Trust beneficiary interests	1,450	1,338	0.5	1,780	(Note 9)
A56	Casa Eremitaggio	1-14-15 Nakane, Meguro-ku, Tokyo	Trust beneficiary interests	1,070	961	0.4	1,090	(Note 7)
A59	Towa City Coop Shinotsuka II	5-49-7 Higashi-Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interests	866	824	0.3	1,070	(Note 7)
A61	Bichsel Musashiseki	1-22-7 Sekimachi-Kita, Nerima-ku, Tokyo	Trust beneficiary interests	577	556	0.2	705	(Note 8)
A62	Lexel Mansion Ueno Matsugaya	3-10-2 Matsugaya, Taito-ku, Tokyo	Trust beneficiary interests	970	864	0.4	1,180	(Note 9)
A63	Towa City Coop Sengencho	4-338-2 Sengencho, Nishi-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	1,110	1,022	0.4	1,350	(Note 7)
A64	Royal Park Omachi	2-11-10 Omachi, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiary interests	415	398	0.2	556	(Note 7)
A65	Lexington Square Haginomachi	1-15-16 Haginomachi, Miyagino-ku, Sendai-shi, Miyagi	Trust beneficiary interests	330	289	0.1	446	(Note 7)
A66	Visconti Kakuozan	2-44 Otanacho, Chikusa-ku, Nagoya-shi, Aichi	Trust beneficiary interests	255	232	0.1	266	(Note 9)
A71	Lexington Square Daitabashi	1-33-18 Izumi, Suginami-ku, Tokyo	Trust beneficiary interests	977	867	0.4	1,150	(Note 9)
A72	Lexington Square Honjo Azumabashi	4-20-6 Higashikomagata, Sumida-ku, Tokyo	Trust beneficiary interests	511	446	0.2	594	(Note 9)
A73	AMS TOWER Minami 6-Jo	2-5-15 Minami 6-Jo Nishi, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interests	1,180	987	0.4	1,230	(Note 9)
A75	Spacia Ebisu	3-6-22 Higashi, Shibuya-ku, Tokyo	Trust beneficiary interests	7,010	6,550	2.6	7,900	(Note 7)
A76	Neo Prominence	3-21-5 Shimo, Kita-ku, Tokyo	Trust beneficiary interests	1,660	1,622	0.6	1,920	(Note 7)
A77	Invoice Shin-Kobe Residence	3-3-8 Ikutacho Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interests	1,260	1,194	0.5	1,420	(Note 7)
A78	Cosmo Court Motomachi	3-12-20 Motomachidori Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interests	973	918	0.4	1,080	(Note 7)
A79	Revest Honjin	2-13 Toriidoru Nakamura-ku, Nagoya-shi, Aichi	Trust beneficiary interests	674	635	0.3	790	(Note 7)
A80	Revest Matsubara	3-13-12 Matsubara Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interests	657	622	0.2	787	(Note 7)
A81	Sun Terrace Minami Ikebukuro	2-22-6 Minami-Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interests	625	600	0.2	724	(Note 7)
A82	Alba Noritake Shinmachi	3-6-8 Noritake Shinmachi, Nishi-ku, Nagoya-shi, Aichi	Trust beneficiary interests	608	573	0.2	721	(Note 7)
A83	Revest Meieki Minami	2-13-33 Meieki-Minami, Nakamura-ku, Nagoya-shi, Aichi	Trust beneficiary interests	597	564	0.2	728	(Note 7)

Property number (Note 1)	Name of property	Location (Note 2)	Legal form of asset	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value as of December 31, 2016 (JPY million) (Note 5)	
A84	Revest Heian	2-13-17 Heian, Kita-ku, Nagoya-shi, Aichi	Trust beneficiary interests	595	561	0.2	678	(Note 7)
A85	Vendir Hamaotsu Ekimae	1-2-15 Hamaotsu, Otsu-shi, Shiga	Trust beneficiary interests	581	542	0.2	713	(Note 7)
A86	Salvo Sala	2-6-21 Shimanouchi Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	544	515	0.2	625	(Note 7)
A87	Excellente Kagurazaka	128-1 Yamabukicho Shinjuku-ku, Tokyo, and other one parcel	Trust beneficiary interests	543	521	0.2	615	(Note 7)
A88	Luna Court Edobori	3-4-11 Edobori, Nishi-ku, Osaka-shi, Osaka	Trust beneficiary interests	525	496	0.2	570	(Note 7)
A89	Winntage Kobe Motomachi	7-2-2 Motomachidori, Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interests	512	481	0.2	606	(Note 7)
A90	Queen's Court Fukuzumi	1-3-10 Fukuzumi, Koto-ku, Tokyo	Trust beneficiary interests	456	439	0.2	584	(Note 7)
A91	Corp Higashinotoin	380-1 Kawaranomachi, Higashinotoindori Nijo Kudara, Nakagyo-ku, Kyoto-shi, Kyoto, and other two parcels	Trust beneficiary interests	446	425	0.2	513	(Note 7)
A92	Belair Oimachi	5-14-17 Higashi-Oi, Shinagawa-ku, Tokyo	Trust beneficiary interests	412	398	0.2	491	(Note 7)
A93	Siete Minami-Tsukaguchi	3-18 Minami-Tsukaguchimachi, Amagasaki-shi, Hyogo	Trust beneficiary interests	374	357	0.1	433	(Note 7)
A94	Prime Life Sannomiya Isogami Koen	4-3-23 Isogamidori, Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interests	373	354	0.1	434	(Note 7)
A95	HERMITAGE NANBA WEST	4-10-3 Sakuragawa, Naniwa-ku, Osaka-shi, Osaka	Trust beneficiary interests	355	339	0.1	421	(Note 7)
A96	Century Park Shinkawa 1-bankan	4-1-2 Shinkawacho, Minato-ku, Nagoya-shi, Aichi	Trust beneficiary interests	335	323	0.1	424	(Note 7)
A97	West Avenue	1-5-17 Nishi, Kunitachi-shi, Tokyo	Trust beneficiary interests	331	316	0.1	322	(Note 7)
A98	Little River Honmachibashi	1-34 Honmachibashi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	310	298	0.1	391	(Note 7)
A99	Prime Life Mikage	2-25-11 Mikage Tsukamachi, Higashinada-ku, Kobe-shi, Hyogo	Trust beneficiary interests	297	281	0.1	337	(Note 7)
A100	City Court Kitaichijo	1-6-3 Kita 1-jo Higashi, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interests	1,782	1,835	0.7	1,920	(Note 7)
A101	Lieto Court Mukojima	5-45-10 Mukojima, Sumida-ku, Tokyo	Trust beneficiary interests	1,683	1,731	0.6	1,720	(Note 7)
A102	Lieto Court Nishi-Ojima	2-41-14 Ojima, Koto-ku, Tokyo	Trust beneficiary interests	1,634	1,673	0.6	1,710	(Note 7)
A103	Royal Parks Momozaka	5-38 Fudegasakicho, Tennouji-ku, Osaka-shi, Osaka	Trust beneficiary interests	2,910	2,995	1.1	3,000	(Note 8)
A104	Royal Parks Shinden	3-35-20 Shinden, Adachi-ku, Tokyo	Trust beneficiary interests	5,024	5,203	1.9	5,110	(Note 8)
Subtotal (68 properties)				71,116	67,835	26.7	77,843	-
B08	Kindai Kagakusha Building	2-7-15 Ichigaya-Tamachi, Shinjuku-ku, Tokyo	Trust beneficiary interests	1,301	1,207	0.5	1,040	(Note 6)
B09	Shinjuku Island	6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Real estate	715	704	0.3	541	(Note 8)
B14	Lexington Plaza Nishigotanda	5-2-4 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interests	4,880	4,684	1.8	4,100	(Note 7)



Property number (Note 1)	Name of property	Location (Note 2)	Legal form of asset	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value as of December 31, 2016 (JPY million) (Note 5)	
B15	Cross Square NAKANO	5-24-18 Nakano, Nakano-ku, Tokyo	Trust beneficiary interests	1,060	1,111	0.4	1,050	(Note 7)
B16	Ohki Aoba Building	9-7 Futsukamachi, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiary interests	816	733	0.3	675	(Note 9)
B17	Lexington Plaza Hachiman	3-1-50 Hachiman, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiary interests	3,280	3,105	1.2	3,550	(Note 8)
B18	AEON TOWN Sukagawa	105 Furukawa, Sukagawa-shi, Fukushima	Trust beneficiary interests	2,320	1,943	0.9	2,340	(Note 8)
Subtotal (7 properties)				14,372	13,490	5.4	13,296	-
C01	Times Kanda-Sudacho 4th	1-22-7, 1-22-15 Kanda sudacho, Chiyoda-ku, Tokyo	Real estate	97	100	0.0	113	(Note 6)
Subtotal (1 property)				97	100	0.0	113	-
D01	Hotel MyStays Kanda	1-2-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interests	2,851	3,066	1.1	5,260	(Note 7)
D02	Hotel MyStays Asakusa	1-21-11 Honjo, Sumida-ku, Tokyo	Trust beneficiary interests	2,584	2,561	1.0	5,530	(Note 7)
D03	Hotel MyStays Kyoto-Shijo	52, Kasabokocho, Higashiiru, Aburanokoji, Shijiyodori, Shimogyo-ku, Kyoto-shi, Kyoto	Trust beneficiary interests	6,024	5,818	2.3	15,600	(Note 7)
D04	MyStays Shin-Urayasu Conference Center	2-1-4 Akemi, Urayasu-shi, Chiba	Trust beneficiary interests	4,930	4,760	1.8	7,140	(Note 7)
D05	Hotel MyStays Maihama	3-5-1 Tekkodori, Urayasu-shi, Chiba	Trust beneficiary interests	4,870	4,722	1.8	6,690	(Note 7)
D06	Hotel Vista Premio Dojima	2-4-1 Sonezakishinchi, Kita-ku, Osaka	Trust beneficiary interests	3,845	3,706	1.4	7,370	(Note 7)
D07	Hotel MyStays Nagoya-Sakae	2-23-22 Higashi-Sakura, Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interests	2,958	2,792	1.1	5,850	(Note 7)
D08	Hotel MyStays Sakaisuji-Honmachi	1-4-8 Awaji-machi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	2,514	2,441	0.9	8,580	(Note 7)
D09	Hotel MyStays Yokohama	4-81 Sueyoshicho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	2,119	2,039	0.8	3,500	(Note 7)
D10	Hotel MyStays Nippori	5-43-7 Higashi-Nippori, Arakawa-ku, Tokyo	Trust beneficiary interests	1,898	1,838	0.7	3,630	(Note 7)
D11	Hotel MyStays Fukuoka-Tenjin-Minami	3-14-20 Haruyoshi, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interests	1,570	1,526	0.6	4,390	(Note 7)
D12	Flexstay Inn Iidabashi	3-26 Shin-Ogawamachi, Shinjuku-ku, Tokyo	Trust beneficiary interests	1,381	1,366	0.5	2,180	(Note 7)
D13	Hotel MyStays Ueno Inaricho	1-5-7 Matsugaya, Taito-ku, Tokyo	Trust beneficiary interests	1,331	1,280	0.5	2,580	(Note 7)
D14	Flexstay Inn Shinagawa	1-22-19 Kita-Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interests	1,242	1,221	0.5	2,130	(Note 7)
D15	Flexstay Inn Tokiwadai	1-52-5 Tokiwadai, Itabashi-ku, Tokyo	Trust beneficiary interests	1,242	1,230	0.5	2,300	(Note 7)
D16	Flexstay Inn Sugamo	3-6-16 Sugamo, Toshima-ku, Tokyo	Trust beneficiary interests	1,192	1,157	0.4	2,170	(Note 7)
D17	Hotel MyStays Ottemae	1-3-2 Tokuicho, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	1,192	1,169	0.4	4,720	(Note 7)
D18	Flexstay Inn Kiyosumi Shirakawa	1-12-16 Tokiwa, Koto-ku, Tokyo	Trust beneficiary interests	749	737	0.3	1,320	(Note 7)
D19	Flexstay Inn Nakanobu P1	4-27-12 Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interests	589	578	0.2	837	(Note 7)

Property number (Note 1)	Name of property	Location (Note 2)	Legal form of asset	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value as of December 31, 2016 (JPY million) (Note 5)	
D20	Flexstay Inn Nakanobu P2	4-27-8 Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interests	283	284	0.1	403	(Note 7)
D21	APA Hotel Yokohama-Kannai	3-37-2 Sumiyoshicho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	8,350	8,117	3.1	9,660	(Note 7)
D22	Hotel Nets Hakodate	26-17 Honcho, Hakodate-shi, Hokkaido	Trust beneficiary interests	2,792	2,707	1.0	3,580	(Note 7)
D23	Flexstay Inn Shirogane	5-10-15 Shirokane, Minato-ku, Tokyo	Trust beneficiary interests	2,119	2,108	0.8	2,310	(Note 7)
D24	Hotel MyStays Haneda	5-1-13 Haneda, Ota-ku, Tokyo	Trust beneficiary interests	7,801	7,641	2.9	8,490	(Note 7)
D25	Hotel MyStays Kameido P1	6-32-1 Kameido, Koto-ku, Tokyo	Trust beneficiary interests	5,594	5,514	2.1	7,150	(Note 7)
D26	Hotel MyStays Ueno Iriyaguchi	5-5-13 Higashi-Ueno, Taito-ku, Tokyo	Trust beneficiary interests	3,821	3,770	1.4	4,520	(Note 7)
D27	Hotel MyStays Kameido P2	6-7-8 Kameido, Koto-ku, Tokyo	Trust beneficiary interests	3,742	3,681	1.4	4,840	(Note 7)
D28	Hotel Vista Shimizu	1-23 Masagocho, Shimizu-ku, Shizuoka-shi, Shizuoka	Trust beneficiary interests	2,198	2,144	0.8	2,400	(Note 7)
D29	Super Hotel Shinbashi/Karasumoriguchi	5-16-4 Shinbashi, Minato-ku, Tokyo	Trust beneficiary interests	1,624	1,618	0.6	1,800	(Note 7)
D30	Flexstay Inn Higashi-Jujo	2-10-2 Nakajujo, Kita-ku, Tokyo	Trust beneficiary interests	1,277	1,271	0.5	1,430	(Note 7)
D31	Hotel MyStays Utsunomiya	2-4-1 Higashi-Shukugo, Utsunomiya-shi, Tochigi	Trust beneficiary interests	1,237	1,238	0.5	1,280	(Note 7)
D32	Flexstay Inn Kawasaki-Kaizuka	1-13-2 Kaizuka, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interests	980	962	0.4	1,180	(Note 7)
D33	Comfort Hotel Toyama	1-3-2 Takara-machi, Toyama-shi, Toyama	Trust beneficiary interests	979	963	0.4	1,090	(Note 7)
D34	Flexstay Inn Kawasaki-Ogawacho	15-9 Ogawacho, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interests	906	896	0.3	1,060	(Note 7)
D35	Flexstay Inn Ekoda	8-6 Sakaecho, Nerima-ku, Tokyo	Trust beneficiary interests	5,069	5,001	1.9	5,040	(Note 7)
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	2-21-9 Akebonocho, Tachikawa-shi, Tokyo	Trust beneficiary interests	1,170	1,156	0.4	1,230	(Note 10)
D37	Super Hotel JR Ueno-iriyauchi	7-9-14 Ueno, Taito-ku, Tokyo	Trust beneficiary interests	1,130	1,121	0.4	1,220	(Note 10)
D38	Hotel MyStays Shinsaibashi	1-9-30 Nishi-Shinsaibashi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	3,160	3,137	1.2	3,410	(Note 7)
D39	Comfort Hotel Kurosaki	3-13-13 Kurosaki, Yahatanishi-ku, Kitakyusyu-shi, Fukuoka	Trust beneficiary interests	1,148	1,134	0.4	1,200	(Note 10)
D40	Comfort Hotel Maebashi	2-18-14 Omotecho, Maebashi-shi, Gunma	Trust beneficiary interests	1,128	1,136	0.4	1,160	(Note 10)
D41	Comfort Hotel Tsubame-Sanjo	2-115 Sugoro, Sanjo-shi, Niigata	Trust beneficiary interests	1,010	1,006	0.4	1,060	(Note 10)
D42	Comfort Hotel Kitami	3-4 Ohdori-Nishi, Kitami-shi, Hokkaido	Trust beneficiary interests	851	843	0.3	890	(Note 10)
D43	Hotel MyStays Gotanda Station	2-6-8 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interests	24,674	24,652	9.3	24,800	(Note 8)
D44	Hotel Epinard Nasu	1-10 Kaidoue (and 59 other land parcels), Oaza-Takakuhei, Nasu-machi, Nasu-gun, Tochigi	Trust beneficiary interests	20,981	20,620	7.9	21,600	(Note 8)

Property number (Note 1)	Name of property	Location (Note 2)	Legal form of asset	Acquisition price (JPY million) (Note 3)	Balance sheet carrying value (JPY million)	Investment percentage (%) (Note 4)	Appraisal value as of December 31, 2016 (JPY million) (Note 5)	
D45	Hotel MyStays Fukuoka Tenjin	3-5-7 Tenjin, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interests	8,059	8,022	3.0	8,280	(Note 8)
D46	Hotel MyStays Hamamatsucho	1-18-14 Hamamatsucho, Minato-ku, Tokyo	Trust beneficiary interests	7,959	7,935	3.0	8,010	(Note 8)
D47	Hotel MyStays Premier Kanazawa (Note 11)	2-13-1 Hirooka, Kanazawa-shi, Ishikawa	Trust beneficiary interests	13,761	13,667	5.2	13,900	(Note 8)
D48	Takamatsu Tokyu REI Hotel	9-9 Hyogomachi, Takamatsu-shi, Kagawa	Trust beneficiary interests	2,139	2,135	0.8	2,170	(Note 10)
Subtotal (48 properties)				181,032	178,511	67.9	236,940	-
Total (124 properties)				266,619	259,938	100.0	328,192	-

(Note 1) “Property number” indicates the use categorization of properties acquired by INV, with “A” standing for residence, “B” standing for office and commercial facility, “C” standing for parking lots and “D” standing for hotel, and the 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 a lower number is assigned to the property with a greater acquisition price.

(Note 2) “Location” is, in principle, based on the indicated address (*kyukyohoyoji*), except that if the *kyukyohoyoji* system has not been implemented for such property, the location is based on the land number (*chiban*).

(Note 3) “Acquisition price” is the purchase price indicated in the real estate or trust beneficiary purchase agreement. Such price excludes consumption tax and other taxes, and has been rounded down to the nearest million yen.

(Note 4) “Investment percentage” is the ratio of the acquisition price to the aggregate acquisition price of INV’s portfolio, and has been rounded to the first decimal place.

(Note 5) “Appraisal value as of December 31, 2016” is the value appraised or determined based on research 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)	Assets Research and Development Inc.
(Note 7)	Japan Real Estate Institute
(Note 8)	Morii Appraisal & Investment Consulting Inc.
(Note 9)	The Tanizawa Sogo Appraisal Co., Ltd.
(Note 10)	Daiwa Real Estate Appraisal Co., Ltd.

(Note 11) The property name was changed from Hotel MyStays Kanazawa on October 1, 2016. The same shall apply hereinafter in this document.

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 (JPY thousand)			
				Total	Payment for the Fiscal Period ended December 31, 2016	Advance Payments	
D44	Hotel Epinard Nasu	Nasu-gun, Tochigi	Renovation work	From January 2017 To June 2017	450,000	-	-
B15	Cross Square NAKANO	Nakano-ku, Tokyo	Parking lots equipment repair work	From January 2017 To June 2017	17,000	-	-
A52	Winbell Kagurazaka	Shinjuku-ku, Tokyo	Repair work of deteriorated rooftop waterproof/Partial repair and paint work of outer wall	From January 2017 To June 2017	15,330	-	-

(b) Capital expenditures for the fiscal period ended December 31, 2016

The principal construction work constituting capital expenditures for the real estate assets for the fiscal period ended December 31, 2016 is as follows. Capital expenditures for the fiscal period totaled JPY 532,163 thousand, and together with JPY 24,069 thousand in repair costs included in this fiscal period's expenses, construction work totaling JPY 556,232 thousand was implemented.

Name of property	Location	Purpose	Time of implementation	Payment (JPY thousand)	
D01	Hotel MyStays Kanda	Chiyoda-ku, Tokyo	Renovation work	From July 2016 To December 2016	154,601
D44	Hotel Epinard Nasu	Nasu-gun, Tochigi	Hotel interior renovation work	From July 2016 To December 2016	14,325
B17	Lexington Plaza Hachiman	Sendai-shi, Miyagi	Rooftop parking lot repair work	From July 2016 To December 2016	10,564
D06	Hotel Vista Premio Dojima	Osaka-shi, Osaka	Repair work of multistory car parking equipment	From July 2016 To December 2016	8,410
D06	Hotel Vista Premio Dojima	Osaka-shi, Osaka	Replacement work of thyristor based battery chargers	From July 2016 To December 2016	7,500
Other construction					360,831
Total					556,232

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

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

(Unit: JPY thousand)

Fiscal period	23rd fiscal period	24th fiscal period	25th fiscal period	26th fiscal period	27th fiscal period
	From July 1, 2014 to December 31, 2014	From January 1, 2015 to June 30, 2015	From July 1, 2015 to December 31, 2015	From January 1, 2016 to June 30, 2016	From July 1, 2016 to December 31, 2016
Reserved funds at beginning of period	579,682	738,365	852,699	982,750	1,303,685
Amount reserved (Note)	268,495	283,147	352,490	543,275	446,066
Amount reversed (Note)	109,812	168,813	222,439	222,339	352,464
Amount carried over for next fiscal period	738,365	852,699	982,750	1,303,685	1,397,286

(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, 2016 to December 31, 2016)

(Unit: JPY thousand)

Property No.	Property Name	Total of rental revenue (i)	Total of rental-related expenses (ii)		Facility management fee	Taxes and public dues	Insurance expenses	Depreciation expenses (iii)	Other expenses	Profit and Loss ((i)-(ii))	NOI ((i)-(ii)+(iii))	
			Rent, common area fees	Other income								
A26	Nisshin Palacestage Daitabashi	39,494	36,658	2,835	17,422	4,889	1,615	56	8,891	1,969	22,071	30,963
A27	Nisshin Palacestage Higashi-Nagasaki	43,857	39,804	4,052	25,912	6,561	2,688	86	13,064	3,510	17,945	31,009
A28	Growth Maison Gotanda	27,345	26,772	573	8,279	2,049	1,326	34	4,369	500	19,065	23,435
A29	Growth Maison Kameido	33,416	31,406	2,009	14,498	4,592	1,684	48	5,933	2,238	18,918	24,851
A30	Emerald House	43,288	40,688	2,600	17,537	4,790	2,556	91	9,410	688	25,751	35,161
A31	Harmonie Ochanomizu	41,703	39,125	2,578	13,933	3,347	1,883	50	7,270	1,381	27,769	35,039
A32	Suncrest Shakujii-Koen	34,586	30,483	4,103	21,125	7,119	3,124	83	8,618	2,179	13,461	22,080
A33	Growth Maison Shin-Yokohama	34,347	31,628	2,718	16,755	4,617	2,415	62	6,186	3,473	17,591	23,778
A34	Belle Face Ueno-Okachimachi	30,471	30,132	338	12,883	5,134	1,661	44	5,355	687	17,588	22,943
A35	Grand Rire Kameido	26,619	26,619	-	7,948	169	1,722	50	5,506	500	18,670	24,177
A36	Growth Maison Ikebukuro	26,733	25,404	1,328	10,126	2,912	1,047	33	5,312	819	16,606	21,919
A37	Growth Maison Yōga	22,092	21,164	928	9,615	2,798	1,369	33	4,125	1,288	12,477	16,603
A38	Route Tachikawa	20,282	18,551	1,730	8,978	2,263	1,070	36	4,282	1,325	11,303	15,585
A39	Shibuya-Honmachi Mansion	19,621	18,655	966	6,690	2,290	938	29	2,265	1,166	12,931	15,196
A40	City Heights Kinuta	16,158	15,382	776	7,601	3,281	982	27	1,829	1,480	8,557	10,386
A41	Acseeds Tower Kawaguchi-Namiki	24,556	23,083	1,473	11,183	3,365	1,125	36	5,038	1,616	13,373	18,411
A42	Capital Heights Kagurazaka	18,565	17,824	741	7,233	2,266	1,088	32	2,529	1,316	11,331	13,861
A43	College Square Machida	17,484	17,484	-	3,983	33	1,520	31	1,898	500	13,500	15,398
A44	Belair Meguro	16,259	15,266	993	5,928	1,746	877	22	2,328	954	10,331	12,659
A45	Wacore Tsunashima I	18,690	17,652	1,038	8,631	2,808	887	30	3,986	919	10,059	14,045
A46	Foros Nakamurabashi	17,597	16,279	1,318	9,265	2,507	990	28	4,896	842	8,331	13,228
A47	Growth Maison Kaijin	22,145	20,284	1,861	14,841	4,584	2,116	70	6,856	1,213	7,304	14,161
A48	College Square Machiya	14,706	14,706	-	5,084	76	933	23	3,551	500	9,621	13,172
A51	City House Tokyo Shinbashi	92,285	86,557	5,728	37,528	14,182	4,952	105	13,264	5,023	54,756	68,021
A52	Winbell Kagurazaka	101,878	95,642	6,236	40,418	11,308	6,361	190	16,318	6,238	61,459	77,778
A53	Nishiwaseda Crescent Mansion	73,724	69,704	4,019	20,799	6,409	3,610	133	8,568	2,076	52,925	61,493
A54	Lexington Square Akebonobashi	49,405	47,502	1,902	20,390	6,425	2,214	53	8,745	2,951	29,014	37,760
A56	Casa Eremitaggio	34,594	29,888	4,706	14,790	3,206	1,665	41	9,169	707	19,804	28,973
A59	Towa City Coop Shinotsuka II	35,150	33,884	1,266	13,849	4,733	1,404	48	5,290	2,373	21,301	26,591
A61	Bichsel Musashiseki	22,918	22,255	663	9,439	4,061	1,193	42	2,823	1,318	13,478	16,302
A62	Lexel Mansion Ueno Matsugaya	34,740	32,138	2,602	14,060	2,689	1,872	52	8,451	993	20,680	29,132
A63	Towa City Coop Sengencho	56,386	50,951	5,435	29,024	14,377	3,003	95	7,547	4,000	27,362	34,909
A64	Royal Park Omachi	25,432	21,923	3,509	15,915	6,910	2,371	54	4,762	1,816	9,517	14,279
A65	Lexington Square Haginomachi	17,590	15,990	1,600	8,289	2,177	1,718	34	3,550	808	9,300	12,851
A66	Visconti Kakuzan	11,857	10,650	1,206	6,153	2,720	902	20	1,767	742	5,704	7,472
A71	Lexington Square Daitabashi	32,254	30,676	1,577	14,899	3,391	1,544	38	8,039	1,885	17,354	25,393
A72	Lexington Square Honjo Azumabashi	19,035	17,875	1,159	8,797	1,701	810	27	5,034	1,223	10,237	15,271
A73	AMS TOWER Minami 6-Jo	45,686	43,038	2,648	31,738	6,397	6,433	109	14,123	4,673	13,948	28,071
A75	Spacia Ebisu	205,456	184,250	21,206	73,052	12,935	8,809	214	37,649	13,443	132,403	170,053
A76	Neo Prominence	64,271	54,893	9,377	29,083	12,676	3,554	140	10,388	2,324	35,187	45,576
A77	Invoice Shin-Kobe Residence	46,782	42,581	4,201	21,028	4,662	2,714	81	11,490	2,079	25,753	37,244
A78	Cosmo Court Motomachi	35,528	34,825	703	17,065	3,766	2,305	82	9,984	925	18,463	28,447
A79	Revest Honjin	31,699	29,810	1,888	13,274	3,107	1,803	59	7,441	862	18,424	25,866
A80	Revest Matsubara	28,164	26,185	1,978	14,820	4,228	1,870	55	7,045	1,622	13,343	20,388
A81	Sun Terrace Minami Ikebukuro	23,830	21,429	2,401	10,275	2,903	907	33	5,212	1,218	13,555	18,768
A82	Alba Noritake Shinmachi	25,917	24,314	1,603	13,693	3,529	1,736	56	6,934	1,436	12,224	19,158
A83	Revest Meieki Minami	25,956	24,490	1,465	12,620	2,981	1,664	56	6,968	949	13,336	20,304
A84	Revest Heian	23,023	22,323	700	11,045	2,474	1,400	41	6,410	718	11,978	18,388
A85	Vēndir Hamaotsu Ekimae	32,640	30,375	2,265	16,093	5,589	1,961	76	7,013	1,452	16,547	23,560
A86	Salvo Sala	24,657	23,869	788	10,495	2,628	1,556	47	5,444	818	14,162	19,607
A87	Excellente Kagurazaka	18,252	17,802	449	7,776	2,110	771	29	4,194	670	10,475	14,670
A88	Luna Court Edobori	21,451	20,541	909	10,763	3,194	1,185	40	5,073	1,269	10,687	15,761
A89	Winntage Kobe Motomachi	19,673	19,380	293	11,294	2,549	1,587	49	5,824	1,283	8,379	14,203
A90	Queen's Court Fukuzumi	16,843	16,119	724	6,792	1,616	750	28	3,205	1,191	10,051	13,256
A91	Corp Higashinotoin	17,203	16,567	635	8,630	2,332	921	36	3,799	1,541	8,572	12,372

Property No.	Property Name	Total of rental revenue (i)	Total of rental-related expenses (ii)		Profit and Loss ((i)-(ii))	NOI ((i)-(ii)+(iii))						
			Rent, common area fees	Other income			Facility management fee	Taxes and public dues	Insurance expenses	Depreciation expenses (iii)	Other expenses	
A92	Belair Oimachi	14,448	13,572	875	7,005	2,080	672	22	2,675	1,554	7,442	10,117
A93	Siete Minami-Tsukaguchi	16,605	15,788	816	7,739	2,594	982	35	3,240	886	8,865	12,105
A94	Prime Life Sannomiya Isogami Koen	13,769	13,359	409	6,354	1,446	848	25	3,426	607	7,414	10,840
A95	HERMITAGE NANBA WEST	15,516	14,070	1,445	8,066	2,386	1,009	30	3,446	1,193	7,449	10,896
A96	Century Park Shinkawa 1-bankan	17,409	14,432	2,976	8,580	2,229	872	41	4,017	1,418	8,828	12,846
A97	West Avenue	12,254	11,730	524	7,395	2,037	563	22	3,070	1,700	4,859	7,930
A98	Little River Honmachibashi	13,795	13,771	24	5,962	1,609	952	28	2,874	496	7,832	10,707
A99	Prime Life Mikage	11,566	11,461	105	6,009	1,482	762	23	2,960	781	5,556	8,516
A100	City Court Kitaichijo	65,467	60,162	5,304	39,782	7,234	7,741	164	22,587	2,054	25,684	48,272
A101	Lieto Court Mukojima	53,665	51,370	2,295	26,953	7,048	2,511	88	15,293	2,010	26,712	42,006
A102	Lieto Court Nishi-Ojima	48,105	47,324	780	21,176	4,921	2,177	69	12,272	1,734	26,929	39,201
A103	Royal Parks Momozaka	139,988	129,478	10,510	85,664	39,877	-	248	45,130	407	54,324	99,454
A104	Royal Parks Shinden	215,643	200,266	15,377	105,097	33,898	-	493	70,295	410	110,546	180,842
B08	Kindai Kagakusha Building	38,162	34,265	3,897	22,362	6,224	4,523	67	10,750	797	15,799	26,549
B09	Shinjuku Island	Not disclosed (Note1)										
B14	Lexington Plaza Nishigotanda	140,640	124,083	16,556	67,094	24,460	12,324	177	26,543	3,589	73,545	100,088
B15	Cross Square NAKANO	44,623	37,438	7,184	17,191	6,416	3,867	76	4,647	2,183	27,431	32,079
B16	Ohki Aoba Building	34,522	27,245	7,277	23,484	9,223	6,076	94	7,356	732	11,038	18,395
B17	Lexington Plaza Hachiman	163,789	131,105	32,684	84,488	45,110	16,953	183	21,276	964	79,301	100,577
B18	AEON TOWN Sukagawa	142,027	142,027	-	93,864	56,124	7,436	250	29,438	614	48,163	77,601
C01	Times Kanda-Sudacho 4th	2,700	2,700	-	257	-	256	-	1	-	2,442	2,444
D01	Hotel MyStays Kanda	95,222	95,222	-	28,088	-	4,417	76	23,082	511	67,133	90,216
D02	Hotel MyStays Asakusa	115,200	115,200	-	20,677	-	3,888	98	16,174	516	94,522	110,696
D03	Hotel MyStays Kyoto-Shijo	367,441	367,441	-	59,770	-	10,432	274	48,547	515	307,670	356,218
D04	MyStays Shin-Urayasu Conference Center	212,187	212,187	-	50,220	-	8,161	174	41,376	509	161,966	203,342
D05	Hotel MyStays Maihama	183,694	183,694	-	39,180	-	3,195	88	35,386	510	144,513	179,899
D06	Hotel Vista Premio Dojima	215,896	215,224	672	60,485	8,208	11,716	240	39,807	512	155,410	195,218
D07	Hotel MyStays Nagoya-Sakae	197,906	197,906	-	68,586	17,163	4,602	209	46,104	507	129,319	175,424
D08	Hotel MyStays Sakaisuji-Honmachi	201,529	201,529	-	26,676	-	6,399	113	19,655	507	174,853	194,509
D09	Hotel MyStays Yokohama	118,878	118,878	-	30,597	-	4,476	172	25,434	513	88,281	113,715
D10	Hotel MyStays Nippori	65,615	65,615	-	17,313	-	1,764	57	14,986	505	48,301	63,287
D11	Hotel MyStays Fukuoka-Tenjin-Minami	137,361	137,361	-	19,548	-	5,076	90	13,876	505	117,812	131,688
D12	Flexstay Inn Iidabashi	52,029	52,029	-	14,903	-	4,504	78	9,813	507	37,125	46,939
D13	Hotel MyStays Ueno Inaricho	51,818	51,818	-	14,719	-	1,474	40	12,696	507	37,099	49,795
D14	Flexstay Inn Shinagawa	50,600	50,600	-	8,794	-	1,663	33	6,591	506	41,805	48,397
D15	Flexstay Inn Tokiwadai	60,368	60,368	-	11,378	-	3,414	71	7,387	505	48,989	56,377
D16	Flexstay Inn Sugamo	54,852	54,852	-	14,384	-	2,871	58	10,949	505	40,467	51,416
D17	Hotel MyStays Otemae	144,286	144,286	-	13,852	-	3,616	103	9,626	506	130,434	140,060
D18	Flexstay Inn Kiyosumi Shirakawa	39,669	39,669	-	11,549	-	3,394	68	7,581	505	28,120	35,701
D19	Flexstay Inn Nakanobu P1	21,653	21,653	-	5,417	-	954	21	3,935	505	16,235	20,171
D20	Flexstay Inn Nakanobu P2	11,371	11,371	-	2,758	-	528	12	1,710	506	8,613	10,323
D21	APA Hotel Yokohama-Kannai	234,973	234,973	-	88,657	-	11,856	260	76,035	505	146,316	222,351
D22	Hotel Nets Hakodate	160,872	160,872	-	47,624	-	15,493	164	31,457	508	113,248	144,706
D23	Flexstay Inn Shirogane	54,444	54,444	-	9,813	-	1,918	48	7,340	506	44,631	51,971
D24	Hotel MyStays Haneda	178,271	178,267	4	67,937	-	8,162	194	59,171	410	110,334	169,505
D25	Hotel MyStays Kameido P1	186,026	186,026	-	40,435	-	6,390	162	33,476	406	145,590	179,067
D26	Hotel MyStays Ueno Iriyaguchi	98,762	98,762	-	24,595	2,455	1,248	80	20,403	407	74,167	94,571
D27	Hotel MyStays Kameido P2	130,259	130,259	-	30,201	-	3,842	101	25,852	404	100,058	125,910
D28	Hotel Vista Shimizu	83,319	83,319	-	24,773	480	2,055	87	21,747	404	58,545	80,293
D29	Super Hotel Shinbashi/ Karasumoriguchi	39,426	39,426	-	8,978	706	3,109	36	4,717	407	30,448	35,166
D30	Flexstay Inn Higashi-Jujo	40,126	40,126	-	7,915	-	1,945	46	5,517	405	32,210	37,727
D31	Hotel MyStays Utsunomiya	64,742	64,742	-	31,473	-	13,720	306	17,031	414	33,268	50,300
D32	Flexstay Inn Kawasaki-Kaizuka	32,535	32,535	-	11,807	889	817	36	9,655	408	20,728	30,383
D33	Comfort Hotel Toyama	35,928	35,928	-	13,053	-	3,789	76	8,778	409	22,874	31,653
D34	Flexstay Inn Kawasaki-Ogawacho	28,421	28,421	-	7,138	-	961	25	5,746	405	21,282	27,028
D35	Flexstay Inn Ekoda	110,022	110,022	-	37,257	-	4,694	104	32,051	407	72,764	104,816

Property No.	Property Name	Total of rental revenue			Total of rental-related expenses						Profit and Loss ((i)-(ii))	NOI ((i)-(ii)+(iii))
		(i)	Rent, common area fees	Other income	(ii)	Facility management fee	Taxes and public dues	Insurance expenses	Depreciation expenses (iii)	Other expenses		
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	31,787	31,787	-	13,174	1,391	2,842	50	8,482	408	18,612	27,094
D37	Super Hotel JR Ueno-iriyaguchi	27,275	27,275	-	10,002	1,070	2,142	34	6,346	408	17,273	23,619
D38	Hotel MyStays Shinsaibashi	90,819	90,819	-	19,313	-	-	53	18,852	406	71,506	90,359
D39	Comfort Hotel Kurosaki	37,894	37,894	-	14,930	900	-	68	13,552	409	22,963	36,516
D40	Comfort Hotel Maebashi	43,811	43,811	-	24,735	5,969	-	95	18,257	413	19,075	37,333
D41	Comfort Hotel Tsubame-Sanjo	34,949	32,861	2,088	11,444	436	-	82	10,512	413	23,505	34,017
D42	Comfort Hotel Kitami	30,300	30,300	-	12,871	911	-	67	11,481	411	17,428	28,910
D43	Hotel MyStays Gotanda Station	396,612	395,634	978	38,935	1,987	-	350	36,191	407	357,676	393,868
D44	Hotel Epinard Nasu	1,040,790	1,040,790	-	325,022	9,335	-	1,061	314,045	579	715,768	1,029,814
D45	Hotel MyStays Fukuoka Tenjin	190,416	190,416	-	42,326	-	-	131	41,790	405	148,089	189,879
D46	Hotel MyStays Hamamatsucho	115,208	115,208	-	27,938	-	-	68	27,464	404	87,270	114,734
D47	Hotel MyStays Premier Kanazawa	343,391	343,391	-	112,221	-	-	313	111,504	403	231,170	342,674
D48	Takamatsu Tokyu REI Hotel	106,269	76,200	30,069	45,149	29,429	-	161	15,139	418	61,119	76,259
Total		9,511,466	9,237,784	273,682	3,162,067	580,896	356,372	11,807	2,065,066	147,924	6,349,399	8,414,465

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



## (3) Tenant Summary

## a Summary of lease conditions by property

(As of December 31, 2016)

Property No.	Property name	Leasable area (m <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (Note 2)	Leasable units (units) (Note 3)	Leased units (units) (Note 4)	Total number of tenants (Note 5)	Tenants (Note 6)	Rental revenue (JPY thousand) (Note 7)	Ratio of rental revenue (%)	Type of lease (Note 8)
A26	Nisshin Palacestage Daitabashi	1,771.13	1,736.40	98	96	1	Best Property Corporation	39,494	0.4	Pass through master lease
A27	Nisshin Palacestage Higashi-Nagasaki	2,681.94	2,589.19	60	58	1	Best Property Corporation	43,857	0.5	Pass through master lease
A28	Growth Maison Gotanda	1,051.50	1,051.50	48	48	1	Pacific Development & Management Co., Ltd	27,345	0.3	Pass through master lease
A29	Growth Maison Kameido	1,367.96	1,264.60	66	61	1	Mitsui Home Estate Co., Ltd.	33,416	0.4	Pass through master lease
A30	Emerald House	2,152.31	2,084.79	96	93	1	Tokyo Gakusei-life Co., Ltd.	43,288	0.5	Pass through master lease
A31	Harmonie Ochanomizu	1,748.24	1,748.24	65	65	1	Pacific Development & Management Co., Ltd.	41,703	0.4	Pass through master lease
A32	Suncrest Shakujii-Koen	3,029.16	2,847.19	29	27	1	Mitsui Home Estate Co., Ltd.	34,586	0.4	Pass through master lease
A33	Growth Maison Shin-Yokohama	1,858.44	1,750.10	68	64	1	Pacific Development & Management Co., Ltd	34,347	0.4	Pass through master lease
A34	Belle Face Ueno-Okachimachi	1,351.11	1,285.61	64	61	1	Mainichicomnet Co., Ltd.	30,471	0.3	Pass through master lease
A35	Grand Rire Kameido	1,562.26	1,562.26	72	72	1	J.S.B. Co., Ltd.	26,619	0.3	Guaranteed rent
A36	Growth Maison Ikebukuro	952.89	952.89	42	42	1	Pacific Development & Management Co., Ltd	26,733	0.3	Pass through master lease
A37	Growth Maison Yoga	1,015.34	962.57	39	37	1	Mitsui Home Estate Co., Ltd.	22,092	0.2	Pass through master lease
A38	Route Tachikawa	1,368.57	1,368.57	24	24	1	Pacific Development & Management Co., Ltd	20,282	0.2	Pass through master lease
A39	Shibuya-Honmachi Mansion	1,167.50	1,072.94	25	23	1	Pacific Development & Management Co., Ltd	19,621	0.2	Pass through master lease
A40	City Heights Kinuta	1,235.93	1,169.33	19	18	1	Mitsui Home Estate Co., Ltd.	16,158	0.2	Pass through master lease
A41	Acseeds Tower Kawaguchi-Namiki	1,210.74	1,082.46	57	51	1	Access Group, Inc. (Note 9)	24,556	0.3	Pass through master lease
A42	Capital Heights Kagurazaka	1,126.65	1,095.17	26	25	1	Mitsui Home Estate Co., Ltd.	18,565	0.2	Pass through master lease
A43	College Square Machida	1,047.75	1,047.75	62	62	1	Mainichicomnet Co., Ltd.	17,484	0.2	Guaranteed rent
A44	Belair Meguro	557.05	513.03	25	23	1	Pacific Development & Management Co., Ltd	16,259	0.2	Pass through master lease
A45	Wacore Tsunashima I	907.46	816.18	50	45	1	Pacific Development & Management Co., Ltd	18,690	0.2	Pass through master lease
A46	Foros Nakamurabashi	815.77	744.25	37	34	1	Mitsui Home Estate Co., Ltd.	17,597	0.2	Pass through master lease
A47	Growth Maison Kaijin	2,040.27	1,988.04	34	33	1	Mitsui Home Estate Co., Ltd.	22,145	0.2	Pass through master lease
A48	College Square Machiya	871.35	871.35	43	43	1	Mainichicomnet Co., Ltd.	14,706	0.2	Guaranteed rent
A51	City House Tokyo Shinbashi	3,364.00	3,138.67	86	80	1	Mitsui Home Estate Co., Ltd.	92,285	1.0	Pass through master lease
A52	Winbell Kagurazaka	4,032.70	3,851.50	118	112	1	Mitsui Home Estate Co., Ltd.	101,878	1.1	Pass through master lease
A53	Nishiwaseda Crescent Mansion	4,310.77	4,128.52	69	66	1	Pacific Development & Management Co., Ltd	73,724	0.8	Pass through master lease
A54	Lexington Square Akebonobashi	1,987.88	1,921.90	88	85	1	Mitsui Home Estate Co., Ltd.	49,405	0.5	Pass through master lease
A56	Casa Eremitaggio	1,197.19	1,158.26	17	16	1	Pacific Development & Management Co., Ltd	34,594	0.4	Pass through master lease
A59	Towa City Coop Shinotsuka II	1,627.13	1,567.61	58	55	1	Mitsui Home Estate Co., Ltd.	35,150	0.4	Pass through master lease
A61	Bichsel Musashiseki	1,220.24	1,116.36	70	64	1	Mitsui Home Estate Co., Ltd.	22,918	0.2	Pass through master lease
A62	Lexel Mansion Ueno Matsugaya	1,969.45	1,898.80	29	28	1	Pacific Development & Management Co., Ltd	34,740	0.4	Pass through master lease
A63	Towa City Coop Sengencho	3,426.36	3,071.83	154	138	1	Pacific Development & Management Co., Ltd	56,386	0.6	Pass through master lease
A64	Royal Park Omachi	1,929.59	1,791.35	51	47	1	Goodworks Co., Ltd.	25,432	0.3	Pass through master lease
A65	Lexington Square Haginomachi	1,528.58	1,408.43	39	36	1	Goodworks Co., Ltd.	17,590	0.2	Pass through master lease

Property No.	Property name	Leasable area (m <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (Note 2)	Leasable units (units) (Note 3)	Leased units (units) (Note 4)	Total number of tenants (Note 5)	Tenants (Note 6)	Rental revenue (JPY thousand) (Note 7)	Ratio of rental revenue (%)	Type of lease (Note 8)
A66	Visconti Kakuozan	705.75	591.49	8	7	1	Mitsui Home Estate Co., Ltd.	11,857	0.1	Pass through master lease
A71	Lexington Square Daitabashi	1,430.64	1,329.33	43	40	1	Goodworks Co., Ltd.	32,254	0.3	Pass through master lease
A72	Lexington Square Honjo Azumabashi	784.74	760.04	33	32	1	Mitsui Home Estate Co., Ltd.	19,035	0.2	Pass through master lease
A73	AMS TOWER Minami 6-Jo	4,460.56	3,838.53	120	104	1	Big Service Co., Ltd.	45,686	0.5	Pass through master lease
A75	Spacia Ebisu	7,794.91	7,328.56	109	102	1	Pacific Development & Management Co., Ltd.	205,456	2.2	Pass through master lease
A76	Neo Prominence	3,574.70	3,397.51	52	49	1	Goodworks Co., Ltd.	64,271	0.7	Pass through master lease
A77	Invoice Shin-Kobe Residence	2,773.71	2,260.06	81	66	1	Goodworks Co., Ltd.	46,782	0.5	Pass through master lease
A78	Cosmo Court Motomachi	2,310.49	1,997.77	82	71	1	Goodworks Co., Ltd.	35,528	0.4	Pass through master lease
A79	Revest Honjin	1,933.80	1,837.44	80	76	1	Mininet, Inc.	31,699	0.3	Pass through master lease
A80	Revest Matsubara	1,955.40	1,795.49	70	64	1	Mininet, Inc.	28,164	0.3	Pass through master lease
A81	Sun Terrace Minami Ikebukuro	898.70	875.05	38	37	1	Goodworks Co., Ltd.	23,830	0.3	Pass through master lease
A82	Alba Noritake Shinmachi	1,731.68	1,575.33	64	58	1	Mininet, Inc.	25,917	0.3	Pass through master lease
A83	Revest Meieki Minami	1,634.60	1,529.79	61	57	1	Mininet, Inc.	25,956	0.3	Pass through master lease
A84	Revest Heian	1,554.03	1,379.03	40	33	1	Mininet, Inc.	23,023	0.2	Pass through master lease
A85	Vendir Hamaotsu Ekimae	2,670.66	2,493.12	81	76	1	Mininet, Inc.	32,640	0.3	Pass through master lease
A86	Salvo Sala	1,428.12	1,380.82	54	52	1	Goodworks Co., Ltd.	24,657	0.3	Pass through master lease
A87	Excellente Kagurazaka	701.92	619.58	33	29	1	Goodworks Co., Ltd.	18,252	0.2	Pass through master lease
A88	Luna Court Edobori	1,185.50	1,161.93	50	49	1	Goodworks Co., Ltd.	21,451	0.2	Pass through master lease
A89	Wintage Kobe Motomachi	1,433.35	1,156.00	57	46	1	Goodworks Co., Ltd.	19,673	0.2	Pass through master lease
A90	Queen's Court Fukuzumi	765.18	738.89	25	24	1	Goodworks Co., Ltd.	16,843	0.2	Pass through master lease
A91	Corp Higashinotoin	1,029.05	979.52	42	40	1	Goodworks Co., Ltd.	17,203	0.2	Pass through master lease
A92	Belair Oimachi	530.60	492.80	26	24	1	Goodworks Co., Ltd.	14,448	0.2	Pass through master lease
A93	Siete Minami-Tsukaguchi	1,020.86	995.36	40	39	1	Goodworks Co., Ltd.	16,605	0.2	Pass through master lease
A94	Prime Life Sannomiya Isogami Koen	789.12	690.48	32	28	1	Goodworks Co., Ltd.	13,769	0.1	Pass through master lease
A95	HERMITAGE NANBA WEST	992.76	873.48	21	18	1	Goodworks Co., Ltd.	15,516	0.2	Pass through master lease
A96	Century Park Shinkawa 1-bankan	1,477.62	1,343.15	44	40	1	Goodworks Co., Ltd.	17,409	0.2	Pass through master lease
A97	West Avenue	794.80	695.44	40	35	1	Goodworks Co., Ltd.	12,254	0.1	Pass through master lease
A98	Little River Honmachibashi	974.81	944.56	31	30	1	Goodworks Co., Ltd.	13,795	0.1	Pass through master lease
A99	Prime Life Mikage	761.18	660.69	28	24	1	Goodworks Co., Ltd.	11,566	0.1	Pass through master lease
A100	City Court Kitaichijo	5,230.18	4,960.03	127	122	1	Big Service Co., Ltd.	65,467	0.7	Pass through master lease
A101	Lieto Court Mukojima	2,940.20	2,802.73	82	78	1	Mitsui Home Estate Co., Ltd.	53,665	0.6	Pass through master lease
A102	Lieto Court Nishi-Ojima	2,048.28	1,982.28	91	88	1	Mitsui Home Estate Co., Ltd.	48,105	0.5	Pass through master lease
A103	Royal Parks Momozaka	8,776.26	8,776.26	147	147	4	Daiwa Living Co., Ltd.	139,988	1.5	Guaranteed rent and pass through master lease
A104	Royal Parks Shinden	15,797.29	15,797.29	248	248	4	Daiwa Living Co., Ltd.	215,643	2.3	Guaranteed rent and pass through master lease
B08	Kindai Kagakusha Building	1,451.54	1,451.54	13	13	1	Haseko Livenet, Inc.	38,162	0.4	Pass through master lease
B09	Shinjuku Island	526.43	526.43	1	1	1	Not disclosed (Note 10)	Not disclosed (Note 10)	Not disclosed (Note 10)	-
B14	Lexington Plaza Nishigotanda	6,033.58	5,539.91	11	10	7	Community One Co., Ltd.	140,640	1.5	-

Property No.	Property name	Leasable area (m <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (Note 2)	Leasable units (units) (Note 3)	Leased units (units) (Note 4)	Total number of tenants (Note 5)	Tenants (Note 6)	Rental revenue (JPY thousand) (Note 7)	Ratio of rental revenue (%)	Type of lease (Note 8)
B15	Cross Square NAKANO	2,145.00	1,910.38	45	38	1	Shin-ei Real Estate Business Co., Ltd.	44,623	0.5	Pass through master lease
B16	Ohki Aoba Building	2,178.37	1,820.39	13	12	1	One-Eyed Capital Advisers	34,522	0.4	Pass through master lease
B17	Lexington Plaza Hachiman	8,419.15	8,419.15	18	18	1	Tokyo Bisō Kogyō Corporation	163,789	1.7	Pass through master lease
B18	AEON TOWN Sukagawa	18,440.58	18,440.58	1	1	1	AEONTOWN Co., Ltd.	142,027	1.5	Guaranteed rent
C01	Times Kanda-Sudacho 4th	81.04	81.04	1	1	1	Times24. Co., Ltd.	2,700	0.0	-
D01	Hotel MyStays Kanda	2,585.72	2,585.72	126	126	1	MyStays Hotel Management Co., Ltd.	95,222	1.0	Fixed rent plus variable rent type operation
D02	Hotel MyStays Asakusa	3,327.38	3,327.38	161	161	1	MyStays Hotel Management Co., Ltd.	115,200	1.2	Fixed rent plus variable rent type operation
D03	Hotel MyStays Kyoto-Shijo	7,241.51	7,241.51	225	225	1	MyStays Hotel Management Co., Ltd.	367,441	3.9	Fixed rent plus variable rent type operation
D04	MyStays Shin-Urayasu Conference Center	6,232.30	6,232.30	175	175	1	MyStays Hotel Management Co., Ltd.	212,187	2.2	Fixed rent plus variable rent type operation
D05	Hotel MyStays Maihama	2,456.36	2,456.36	90	90	1	MyStays Hotel Management Co., Ltd.	183,694	1.9	Fixed rent plus variable rent type operation
D06	Hotel Vista Premio Dojima	9,445.32	9,445.32	153	153	1	MGH Master Lease Co., Ltd.	215,896	2.3	Fixed rent plus variable rent type operation
D07	Hotel MyStays Nagoya-Sakae	9,064.71	9,064.71	279	279	1	Yugen Kaisha Nagoya Hotel Management	197,906	2.1	Fixed rent plus variable rent type operation
D08	Hotel MyStays Sakaisuji-Honmachi	4,188.83	4,188.83	191	191	1	MyStays Hotel Management Co., Ltd.	201,529	2.1	Fixed rent plus variable rent type operation
D09	Hotel MyStays Yokohama	7,379.43	7,379.43	190	190	1	MyStays Hotel Management Co., Ltd.	118,878	1.2	Fixed rent plus variable rent type operation
D10	Hotel MyStays Nippori	1,719.29	1,719.29	93	93	1	MyStays Hotel Management Co., Ltd.	65,615	0.7	Fixed rent plus variable rent type operation
D11	Hotel MyStays Fukuoka-Tenjin-Minami	3,412.71	3,412.71	177	177	1	MyStays Hotel Management Co., Ltd.	137,361	1.4	Fixed rent plus variable rent type operation
D12	Flexstay Inn Iidabashi	2,953.38	2,953.38	62	62	1	MyStays Hotel Management Co., Ltd.	52,029	0.5	Fixed rent plus variable rent type operation
D13	Hotel MyStays Ueno Inaricho	1,150.76	1,150.76	72	72	1	MyStays Hotel Management Co., Ltd.	51,818	0.5	Fixed rent plus variable rent type operation
D14	Flexstay Inn Shinagawa	1,134.52	1,134.52	55	55	1	MyStays Hotel Management Co., Ltd.	50,600	0.5	Fixed rent plus variable rent type operation
D15	Flexstay Inn Tokiwadai	2,539.75	2,539.75	130	130	1	MyStays Hotel Management Co., Ltd.	60,368	0.6	Fixed rent plus variable rent type operation
D16	Flexstay Inn Sugamo	2,089.86	2,089.86	105	105	1	MyStays Hotel Management Co., Ltd.	54,852	0.6	Fixed rent plus variable rent type operation
D17	Hotel MyStays Otemae	4,956.66	4,956.66	111	111	1	MyStays Hotel Management Co., Ltd.	144,286	1.5	Fixed rent plus variable rent type operation
D18	Flexstay Inn Kiyosumi Shirakawa	2,673.64	2,673.64	56	56	1	MyStays Hotel Management Co., Ltd.	39,669	0.4	Fixed rent plus variable rent type operation
D19	Flexstay Inn Nakanobu P1	770.56	770.56	39	39	1	MyStays Hotel Management Co., Ltd.	21,653	0.2	Fixed rent plus variable rent type operation
D20	Flexstay Inn Nakanobu P2	391.49	391.49	22	22	1	MyStays Hotel Management Co., Ltd.	11,371	0.1	Fixed rent plus variable rent type operation
D21	APA Hotel Yokohama Kannai	6,568.51	6,568.51	452	452	1	APA Hotel Kabushiki Kaisha	234,973	2.5	Fixed rent plus variable rent type operation

Property No.	Property name	Leasable area (m <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (Note 2)	Leasable units (units) (Note 3)	Leased units (units) (Note 4)	Total number of tenants (Note 5)	Tenants (Note 6)	Rental revenue (JPY thousand) (Note 7)	Ratio of rental revenue (%)	Type of lease (Note 8)
D22	Hotel Nets Hakodate	7,961.26	7,961.26	205	205	1	Hakodate Hospitality Godo Kaisha	160,872	1.7	Fixed rent plus variable rent type operation
D23	Flexstay Inn Shirogane	1,754.06	1,754.06	84	84	1	MyStays Hotel Management Co., Ltd.	54,444	0.6	Fixed rent plus variable rent type operation
D24	Hotel MyStays Haneda	5,400.16	5,400.16	174	174	1	MyStays Hotel Management Co., Ltd.	178,271	1.9	Fixed rent plus variable rent type operation
D25	Hotel MyStays Kameido P1	4,349.67	4,349.67	266	266	1	MyStays Hotel Management Co., Ltd.	186,026	2.0	Fixed rent plus variable rent type operation
D26	Hotel MyStays Ueno Iriyaguchi	2,247.92	2,247.92	97	97	1	MyStays Hotel Management Co., Ltd.	98,762	1.0	Fixed rent plus variable rent type operation
D27	Hotel MyStays Kameido P2	2,793.99	2,793.99	177	177	1	MyStays Hotel Management Co., Ltd.	130,259	1.4	Fixed rent plus variable rent type operation
D28	Hotel Vista Shimizu	3,559.81	3,559.81	152	152	1	Vista Hotel Management Co., Ltd.	83,319	0.9	Fixed rent plus variable rent type operation
D29	Super Hotel Shinbashi/ Karasumoriguchi	1,403.89	1,403.89	74	74	1	Super Hotel Co., Ltd.	39,426	0.4	Fixed rent
D30	Flexstay Inn Higashi-Jujo	1,714.53	1,714.53	89	89	1	MyStays Hotel Management Co., Ltd.	40,126	0.4	Fixed rent plus variable rent type operation
D31	Hotel MyStays Utsunomiya	11,733.23	11,733.23	126	126	1	MyStays Hotel Management Co., Ltd.	64,742	0.7	Fixed rent plus variable rent type operation
D32	Flexstay Inn Kawasaki-Kaizuka	1,190.57	1,190.57	64	64	1	MyStays Hotel Management Co., Ltd.	32,535	0.3	Fixed rent plus variable rent type operation
D33	Comfort Hotel Toyama	3,305.64	3,305.64	150	150	1	Greens Co., Ltd.	35,928	0.4	Fixed rent
D34	Flexstay Inn Kawasaki-Ogawacho	725.60	725.60	62	62	1	MyStays Hotel Management Co., Ltd.	28,421	0.3	Fixed rent plus variable rent type operation
D35	Flexstay Inn Ekoda	3,932.93	3,932.93	210	210	1	MyStays Hotel Management Co., Ltd.	110,022	1.2	Fixed rent plus variable rent type operation
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	1,832.97	1,832.97	96	96	1	Super Hotel Co., Ltd.	31,787	0.3	Fixed rent
D37	Super Hotel JR Ueno-iriyauchi	1,279.16	1,279.16	69	69	1	Super Hotel Co., Ltd.	27,275	0.3	Fixed rent
D38	Hotel MyStays Shinsaibashi	1,942.01	1,942.01	57	57	1	MyStays Hotel Management Co., Ltd.	90,819	1.0	Fixed rent plus variable rent type operation
D39	Comfort Hotel Kurosaki	3,207.60	3,207.60	151	151	1	Greens Co., Ltd.	37,894	0.4	Fixed rent
D40	Comfort Hotel Maebashi	3,660.96	3,660.96	154	154	2	Greens Co., Ltd.	43,811	0.5	Fixed rent
D41	Comfort Hotel Tsubame-Sanjo	3,099.90	3,099.90	133	133	2	Greens Co., Ltd.	34,949	0.4	Fixed rent
D42	Comfort Hotel Kitami	3,009.50	3,009.50	127	127	1	Greens Co., Ltd.	30,300	0.3	Fixed rent
D43	Hotel MyStays Gotanda Station	8,752.42	8,752.42	335	335	1	MyStays Hotel Management Co., Ltd.	396,612	4.2	Fixed rent plus variable rent type operation
D44	Hotel Epinard Nasu	37,702.33	37,702.33	310	310	1	Naqua Hotels and Resorts Management Co., Ltd.	1,040,790	10.9	Fixed rent plus variable rent type operation
D45	Hotel MyStays Fukuoka Tenjin	5,083.06	5,083.06	217	217	1	MyStays Hotel Management Co., Ltd.	190,416	2.0	Fixed rent plus variable rent type operation
D46	Hotel MyStays Hamamatsucho	1,951.90	1,951.90	105	105	1	MyStays Hotel Management Co., Ltd.	115,208	1.2	Fixed rent plus variable rent type operation
D47	Hotel MyStays Premier Kanazawa	13,250.03	13,250.03	261	261	1	MyStays Hotel Management Co., Ltd.	343,391	3.6	Fixed rent plus variable rent type operation
D48	Takamatsu Tokyu REI Hotel	7,148.17	7,148.17	193	193	3	Tokyu Hotels Co., Ltd.	106,269	1.1	Fixed rent
	Total	409,928.31	401,162.85	11,313	11,061	140	-	9,511,466	100.0	-

(Note 1) "Leasable Area" is the total leasable floor area for residential, office, retail and others, for each real estate or real estate in trust.

(Note 2) "Leased Area" is the total sum of the leased area with respect to which a lease agreement with an end-tenant has actually been

entered into and which are leased to the end-tenant (the area specified in the lease agreement). With respect to the rent-guarantee type master lease agreement, the area leased to master lessee is listed.

- (Note 3) “Leasable Units” with respect to hotel properties means the total number of guest rooms and rentable retail units, etc. for each real estate or real estate in trust, and with respect to properties other than hotel properties, means the total number of rentable units and retail units, etc. in each real estate or real estate in trust.
- (Note 4) “Leased Units” with respect to hotel properties means the total number of guest rooms, retail spaces, etc. actually leased to tenants or end-tenants based on lease agreements, and with respect to properties other than hotel properties, means the total number of units, retail units, etc. actually leased to tenants or end-tenants based on lease agreements.
- (Note 5) “Total Number of Tenants” is calculated by counting a lessee who has directly concluded a lease agreement for each property as one tenant, and a tenant who has rented two or more rooms in a single property is calculated as one tenant.
- (Note 6) “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 7) “Rental Revenue” is the aggregate rent revenue for each property for the fiscal period, rounded down to the nearest thousand yen.
- (Note 8) With respect to the properties for which a master lease agreement has been entered into, the type of lease (either a pass-through master lease or a fixed rent) is indicated. “Pass-through master lease” is defined as a lease under which, pursuant to the pass-through master lease agreement entered into between the master lease company and INV or the trustee, the amount equal to the rent under the sublease agreement between the master lease company and the end tenant shall be paid to INV or the trustee. “Guaranteed rent” is defined as a lease under which a specified rent shall be paid to INV or the trustee, regardless of the rent under the sublease agreement between the master lease company and the end tenant. Moreover, with respect to hotel properties, the type of rent received from the relevant operator (either a fixed-rent or a fixed rent plus variable rent type operation) is indicated. “Fixed rent” is defined as an agreement under which INV or the trustee shall receive a specified rent, regardless of the operational results of the relevant hotel. “Fixed rent plus variable rent type operation” is defined as an agreement under which INV or the trustee shall receive rent that varies based on the GOP (Gross Operating Profit), in addition to a fixed rent.
- (Note 9) The master lessee was changed to Goodworks Co., Ltd. on January 1, 2017.
- (Note 10) Not disclosed because the consent of the tenant was not obtained.

b Occupancy trend

(Unit: %)

Property No.	Property name	22nd fiscal period	23rd fiscal period	24th fiscal period	25th fiscal period	26th fiscal period	27th fiscal period					
		As of the end of Jun. 2014	As of the end of Dec. 2014	As of the end of Jun. 2015	As of the end of Dec. 2015	As of the end of Jun. 2016	As of the end of Jul. 2016	As of the end of Aug. 2016	As of the end of Sep. 2016	As of the end of Oct. 2016	As of the end of Nov. 2016	As of the end of Dec. 2016
A26	Nisshin Palacestage Daitabashi	94.1	90.0	96.9	96.1	97.0	99.0	95.9	95.9	95.9	98.0	98.0
A27	Nisshin Palacestage Higashi-Nagasaki	97.7	96.3	94.9	96.8	93.2	95.1	92.7	93.0	97.0	95.2	96.5
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	89.3	86.2	95.4	97.0	95.5	97.0	91.0	95.5	98.5	92.4	92.4
A30	Emerald House	100.0	98.0	100.0	97.9	100.0	100.0	99.0	99.0	99.0	99.0	96.9
A31	Harmonie Ochanomizu	91.2	93.5	88.3	90.8	100.0	94.9	100.0	100.0	100.0	100.0	100.0
A32	Suncrest Shakujii-Koen	97.0	97.0	97.4	97.0	84.3	84.3	87.2	89.1	89.1	94.0	94.0
A33	Growth Maison Shin-Yokohama	86.9	95.6	97.0	97.2	89.7	94.4	91.4	92.7	92.7	91.3	94.2
A34	Belle Face Ueno-Okachimachi	98.3	98.3	100.0	100.0	98.3	98.3	98.3	98.3	96.7	96.7	95.2
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	90.4	90.5	88.1	97.6	97.6	100.0	100.0	100.0	100.0	100.0	100.0
A37	Growth Maison Yōga	97.3	94.9	94.9	94.8	97.5	97.5	94.8	100.0	100.0	94.8	94.8
A38	Route Tachikawa	96.6	96.6	96.6	96.6	93.2	93.2	93.2	93.2	93.2	96.6	100.0
A39	Shibuya-Honmachi Mansion	100.0	91.3	89.9	96.4	95.9	91.7	91.7	95.9	94.4	91.9	91.9
A40	City Heights Kinuta	100.0	100.0	94.6	89.2	100.0	89.2	83.8	89.2	94.6	89.2	94.6
A41	Acseeds Tower Kawaguchi-Namiki	93.0	86.0	100.0	86.0	94.8	93.0	94.8	91.3	96.5	94.8	89.4
A42	Capital Heights Kagurazaka	90.5	91.6	94.4	97.2	97.2	97.2	91.9	91.9	91.9	97.2	97.2
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	100.0	88.1	100.0	96.0	96.1	96.1	96.1	100.0	88.1	92.1	92.1
A45	Wacore Tsunashima I	94.1	89.9	98.0	91.9	98.0	98.0	98.0	93.9	93.9	93.9	89.9
A46	Foros Nakamurabashi	100.0	88.8	90.5	100.0	96.2	97.5	95.1	92.6	92.6	92.6	91.2
A47	Growth Maison Kaijin	90.0	89.0	87.3	96.7	97.7	97.4	97.4	96.7	96.7	96.7	97.4
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	94.5	95.6	97.1	98.6	96.1	97.0	95.3	97.4	95.7	97.1	93.3
A52	Winbell Kagurazaka	98.6	100.0	95.4	98.3	98.6	93.9	93.5	96.8	95.7	95.9	95.5
A53	Nishiwaseda Crescent Mansion	92.5	90.5	92.1	97.5	100.0	96.8	98.4	98.4	98.4	100.0	95.8
A54	Lexington Square Akebonobashi	93.3	88.8	93.5	98.8	95.4	95.5	92.1	95.6	97.8	98.9	96.7
A56	Casa Eremitaggio	97.0	91.2	84.2	100.0	100.0	100.0	96.7	96.7	100.0	100.0	96.7
A59	Towa City Coop Shinotsuka II	92.8	91.3	96.3	96.4	97.6	95.0	95.0	98.8	93.5	97.6	96.3
A61	Bichsel Musashiseki	94.3	85.8	98.5	97.1	95.7	91.5	91.5	94.3	91.4	90.0	91.5
A62	Lexel Mansion Ueno Matsugaya	96.3	96.8	100.0	100.0	100.0	100.0	100.0	100.0	100.0	96.4	96.4
A63	Towa City Coop Sengencho	89.1	80.2	83.0	93.1	91.1	91.1	88.0	88.0	84.0	90.9	89.7
A64	Royal Park Omachi	90.6	88.1	98.3	98.3	96.7	95.0	95.0	93.3	93.3	92.8	92.8
A65	Lexington Square Haginomachi	97.4	100.0	92.4	92.6	100.0	100.0	94.8	92.1	92.1	92.1	92.1
A66	Visconti Kakuozan	100.0	89.7	78.3	86.3	100.0	100.0	100.0	100.0	100.0	83.8	83.8
A71	Lexington Square Daitabashi	90.9	85.1	93.0	90.1	97.2	97.9	95.8	93.7	97.9	92.9	92.9
A72	Lexington Square Honjo Azumabashi	96.9	97.0	91.1	97.0	94.1	100.0	100.0	100.0	100.0	100.0	96.9
A73	AMS TOWER Minami 6-Jo	91.8	83.7	83.3	94.3	87.6	86.9	88.6	87.9	86.7	85.7	86.1
A75	Spacia Ebisu	90.0	93.6	93.6	95.6	91.7	95.8	96.1	96.0	95.7	95.4	94.0
A76	Neo Prominence	88.9	93.9	94.9	96.6	96.2	92.9	94.5	94.5	95.0	96.8	95.0
A77	Invoice Shin-Kobe Residence	94.4	94.0	88.4	94.9	98.2	98.2	89.8	86.6	85.2	86.6	81.5
A78	Cosmo Court Motomachi	90.4	86.6	96.2	96.2	96.3	93.9	93.9	95.1	90.3	89.0	86.5
A79	Revest Honjin	95.0	92.5	100.0	98.8	97.5	98.8	97.5	97.5	96.3	95.0	95.0
A80	Revest Matsubara	91.2	93.7	89.5	93.1	88.7	88.7	86.8	88.7	95.6	94.4	91.8
A81	Sun Terrace Minami Ikebukuro	89.5	92.1	97.4	97.4	100.0	100.0	100.0	94.7	97.4	97.4	97.4
A82	Alba Noritake Shinmachi	91.7	94.4	98.6	91.0	97.2	98.6	95.8	96.5	94.4	89.6	91.0
A83	Revest Meieki Minami	93.6	95.4	100.0	100.0	96.6	94.5	96.3	96.3	94.8	93.3	93.6
A84	Revest Heian	98.4	100.0	92.0	100.0	100.0	98.4	95.2	92.0	93.6	93.6	88.7
A85	Vendir Hamaotsu Ekimae	94.2	87.3	88.4	88.4	95.3	97.8	97.7	96.2	97.3	94.9	93.4
A86	Salvo Sala	91.5	93.5	94.4	98.0	100.0	98.0	100.0	98.3	96.7	96.7	96.7

Property No.	Property name	22nd fiscal period	23rd fiscal period	24th fiscal period	25th fiscal period	26th fiscal period	27th fiscal period					
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A87	Excellente Kagurazaka	97.1	88.3	97.1	91.2	97.1	97.1	97.1	97.1	94.1	94.1	88.3
A88	Luna Court Edobori	88.1	88.1	94.0	96.0	96.0	98.0	98.0	98.0	96.0	98.0	98.0
A89	Winntage Kobe Motomachi	91.1	94.8	94.7	85.9	86.0	84.2	84.2	84.2	80.7	82.4	80.7
A90	Queen's Court Fukuzumi	100.0	92.5	100.0	95.9	93.1	93.1	93.1	96.6	100.0	100.0	96.6
A91	Corp Higashinotoin	90.3	92.9	95.7	97.9	90.8	95.2	95.2	90.5	92.9	95.2	95.2
A92	Belair Oimachi	96.1	92.9	96.1	96.4	100.0	88.7	88.7	92.6	96.4	92.9	92.9
A93	Siete Minami-Tsukaguchi	92.5	97.5	92.6	95.0	97.5	97.5	92.5	90.0	97.5	97.5	97.5
A94	Prime Life Sannomiya Isogami Koen	100.0	96.9	93.8	100.0	93.8	93.8	93.8	93.8	93.8	87.5	87.5
A95	HERMITAGE NANBA WEST	92.0	100.0	95.7	91.2	100.0	96.0	96.0	91.9	88.0	88.0	88.0
A96	Century Park Shinkawa 1-bankan	100.0	95.5	91.0	91.0	95.4	93.2	90.9	86.4	93.2	95.5	90.9
A97	West Avenue	85.0	85.0	75.0	80.0	85.0	87.5	90.0	90.0	92.5	90.0	87.5
A98	Little River Honmachibashi	93.9	93.8	96.9	100.0	100.0	100.0	100.0	96.9	96.9	96.9	96.9
A99	Prime Life Mikage	93.4	93.3	86.8	100.0	96.7	93.4	96.7	96.7	90.1	90.1	86.8
A100	City Court Kitaichijo	-	-	-	96.6	95.7	97.1	96.5	98.4	98.3	98.0	94.8
A101	Lieto Court Mukojima	-	-	-	97.6	96.8	97.6	99.0	96.5	96.5	95.3	95.3
A102	Lieto Court Nishi-Ojima	-	-	-	100.0	98.0	98.8	96.7	97.8	96.8	96.8	96.8
A103	Royal Parks Momozaka	-	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0
A104	Royal Parks Shinden	-	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0
B08	Kindai Kagakusha Building	95.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
B09	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	100.0	100.0	100.0	100.0	100.0	91.8	91.8	91.8	91.8	91.8	91.8
B15	Cross Square NAKANO	64.3	64.3	70.8	79.1	84.1	87.4	90.7	90.7	90.7	90.7	89.1
B16	Ohki Aoba Building	100.0	100.0	100.0	100.0	83.6	83.6	83.6	83.6	83.6	83.6	83.6
B17	Lexington Plaza Hachiman	100.0	100.0	100.0	100.0	98.8	98.8	98.8	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
C01	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
D01	Hotel MyStays Kanda	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D02	Hotel MyStays Asakusa	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D03	Hotel MyStays Kyoto-Shijo	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D04	MyStays Shin-Urayasu Conference Center	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D05	Hotel MyStays Maihama	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D06	Hotel Vista Premio Dojima	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D07	Hotel MyStays Nagoya-Sakae	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D08	Hotel MyStays Sakaisuji-Honmachi	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D09	Hotel MyStays Yokohama	-	100.0	100.0	100.0	100.0	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	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	100.0	100.0	100.0	100.0
D12	Flexstay Inn Iidabashi	-	100.0	100.0	100.0	100.0	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	100.0	100.0	100.0	100.0
D14	Flexstay Inn Shinagawa	-	100.0	100.0	100.0	100.0	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	100.0	100.0	100.0	100.0
D16	Flexstay Inn Sugamo	-	100.0	100.0	100.0	100.0	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	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	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	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	100.0	100.0	100.0	100.0
D21	APA Hotel Yokohama-Kannai	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D22	Hotel Nets Hakodate	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D23	Flexstay Inn Shirogane	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D24	Hotel MyStays Haneda	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D25	Hotel MyStays Kameido P1	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D26	Hotel MyStays Ueno Iriyaguchi	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Property No.	Property name	22nd fiscal period	23rd fiscal period	24th fiscal period	25th fiscal period	26th fiscal period	27th fiscal period					
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D27	Hotel MyStays Kameido P2	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D28	Hotel Vista Shimizu	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D29	Super Hotel Shinbashi/Karasumoriguchi	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D30	Flexstay Inn Higashi-Jujo	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D31	Hotel MyStays Utsunomiya	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D32	Flexstay Inn Kawasaki-Kaizuka	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D33	Comfort Hotel Toyama	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D34	Flexstay Inn Kawasaki-Ogawacho	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D35	Flexstay Inn Ekoda	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D37	Super Hotel JR Ueno-irivaguchi	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D38	Hotel MyStays Shinsaibashi	-	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D39	Comfort Hotel Kurosaki	-	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D40	Comfort Hotel Maebashi	-	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D41	Comfort Hotel Tsubame-Sanjo	-	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D42	Comfort Hotel Kitami	-	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D43	Hotel MyStays Gotanda Station	-	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D44	Hotel Epinard Nasu	-	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D45	Hotel MyStays Fukuoka Tenjin	-	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D46	Hotel MyStays Hamamatsucho	-	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D47	Hotel MyStays Premier Kanazawa	-	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D48	Takamatsu Tokyu REI Hotel	-	-	-	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Total	95.1	96.1	96.9	98.2	98.5	98.4	98.2	98.2	98.2	98.2	97.9

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