

Translation

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**Summary of Financial Results (REIT)  
for the Fiscal Period Ended December 31, 2017**

February 20, 2018

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 26, 2018	Scheduled Date of Commencement for Distribution Payments:	March 27, 2018
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, 2017 (from July 1, 2017 to December 31, 2017)

(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, 2017	12,647	36.6	8,223	53.9	7,303	55.3	7,303	55.3
Fiscal period ended June 30, 2017	9,260	(2.6)	5,344	(9.9)	4,702	(13.4)	4,702	(13.4)

	Net Income per Unit	Net Income / Unitholders' Equity	Ordinary Income / Total Assets	Ordinary Income / Operating Revenues
	JPY	%	%	%
Fiscal period ended December 31, 2017	1,712	4.6	2.2	57.7
Fiscal period ended June 30, 2017	1,241	3.5	1.6	50.8

(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 fiscal period ended December 31, 2017 (4,793,181 units) and rounded down to the nearest yen is JPY 1,523.

(2) Distributions

	Distribution (Excluding excess profit distribution)		Excess Profit Distribution		Distribution (Including excess profit distribution)		Dividend Payout Ratio	Distribution / Net Assets
	Per Unit	Total	Per Unit	Total	Per Unit	Total		
Fiscal period ended December 31, 2017	1,528	7,323	36	172	1,564	7,496	100.3	4.1
Fiscal period ended June 30, 2017	1,243	4,799	21	81	1,264	4,880	102.1	3.5

(Note 1) Distribution (excluding excess profit) differs from net income for the fiscal period ended December 2017, since INV distributes almost all of the profit as defined in Article 136, Paragraph 1 of the Investment Trust and Investment Corporation Act, which includes deferred gain on hedge of the interest rate swap.

(Note 2) The distribution in excess of profit for the fiscal period ended December 31, 2017 is JPY 172 million (JPY 36 per unit), all of which is the refund of investment for the purpose of stabilizing distributions.

(Note 3) The "Dividend Payout Ratio" is calculated in accordance with the following formula:  

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

(Note 4) "Distribution/ Net Assets" is 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, 2017	371,758	181,320	48.8	37,829
Fiscal period ended June 30, 2017	306,421	139,062	45.4	36,019

(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, 2017	13,676	(60,034)	57,453	20,693
Fiscal period ended June 30, 2017	6,830	(35,704)	24,257	9,598

2. Forecasts for the Fiscal Periods ending June 30, 2018 (from January 1, 2018 to June 30, 2018) and December 31, 2018 (from July 1, 2018 to December 31, 2018)

(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, 2018	12,784	1.1	8,081	(1.7)	7,370	0.9	7,369	0.9	1,383	0	1,383
Fiscal Period ending December 31, 2018	12,884	0.8	8,129	0.6	7,410	0.5	7,409	0.5	1,562	0	1,562

(Reference) Estimated net income per unit for the fiscal periods ending June 30, 2018 and December 31, 2018 are JPY 1,537 and JPY 1,545 respectively.

\* 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, 2017	4,793,181	June 30, 2017	3,860,824
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- (b) Number of Treasury Units as of the End of the Fiscal Period
 

December 31, 2017	0	June 30, 2017	0
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(Note) Please refer to "Notes Related to Per Unit Information" on page 52 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 2018 and December 2018” on page 22 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 21, 2017 and the extraordinary report filed on January 5, 2018).

## 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 21, 2017)

### (2) Operating Conditions

#### a Overview of the Fiscal Period Ended December 2017 (“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 absorption-type merger with LCP Investment Corporation (“LCP”) was implemented on February 1, 2010, as specified in Article 147 of the Investment Trust Act, with LCP as the absorbed corporation, 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. FIG became a subsidiary of Softbank Group, effective December 27, 2017. SoftBank Group acquired FIG, helping to improve INV’s relationships with Japanese banks and companies, and is working with MyStays Hotel Management Co., Ltd. (“MHM”) on several technology, online, and distribution initiatives which MHM believes will provide benefits to the hotels.

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 secure 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 and portfolio rebalance to be described below, INV’s portfolio at the end of the previous period ended December 2017 comprised of 126 properties (54 hotels, 67 residential properties and five others) (Note 1) with a total acquisition price of JPY 353,695 million. The acquisition price of the portfolio has increased a significant 4.5x, compared to May 22, 2014, which is the date immediately prior to INV’s initial investment in hotels.

In the Reporting Period, INV conducted an issuance of new investment units (the “Public Offering”) and secondary offering on September 21, 2017 in order to acquire four hotels and a preferred equity interest in a special purpose company (the “TMK”) on October 13, 2017 with funds raised through the Public Offering and new borrowings. The TMK holds Sheraton Grande Tokyo Bay Hotel (the “Sheraton”), a full service hotel with 1,016 rooms, the highest room count among the Disney hotels and the Tokyo Disney Resort official hotels (Note 2). By investing in a flagship hotel such as the Sheraton via the preferred equity interest, INV aimed to improve the portfolio profitability through the high 8.8% simulated dividend yield (Note 3) and the stability through portfolio diversification. The acquisition of the five hotels located both in the Tokyo metropolitan area and in regional areas well situated to capture the increase in demand from foreign visitors is expected to contribute to the growth, improvement in stability of income, and overall quality of the portfolio.

INV commenced an Asset Recycling Program in July 2017 to sell assets that INV believed generate low yield, and using those proceeds in an accretive manner to acquire assets that INV believes generate higher yield, aiming to improve the overall NOI yield of the portfolio. INV sold two non-core assets (an office building and a parking lot) on July 31, 2017, and announced the sale of three office properties and six residential properties on December 21, 2017 and December 26, 2017 in order to further pursue the portfolio rebalance. Of the December dispositions, the sale of one office building and three residential properties were closed by the end of the Reporting Period, and the remainder closed in January 2018. In the December 2017 period, INV sold six properties for JPY 5,772 million at an actual NOI cap rate (Note 4) of 3.6%. The sales price is JPY 1,378 million or 31.4% above book value (Note 5) and JPY 930 million or 19.2% above appraisal value (Note 5). The proceeds of the sale were used to acquire four hotels for JPY 12,425 million at an appraisal NOI cap rate (Note 7) of 6.2% in February 2018, which is detailed on page 11. As a result of the asset sales, INV will retain earnings of JPY 740 million or JPY 154 per unit at the end of fiscal period June 2018. Japanese REIT's are required to pay out at least 90% of income to maintain tax deductibility status. The retained earnings will serve as a reserve that could be used as a cushion to help insure that projected DPU targets are met.

As a continued focus on proactive asset management, INV changed the master lessee ("ML") and property manager ("PM") for four residential properties to reduce property management fees, and improve the economics of two properties by changing the lease agreement structure. In addition, INV changed the operator of one hotel property to MHM in an aim to increase the hotels profitability, particularly by focusing on increasing the number of inbound tourists to the hotel.

INV has signed a Memorandum of Understanding (the "MOU") with affiliates of Fortress Group with respect to preferential negotiating rights regarding the acquisition of hotels and residential properties, which will continue to provide INV with considerable opportunities for external growth. As of the date of this document, there are 17 hotels (3,995 rooms) and nine residential properties (743 units) in the MOU.

- (Note 1) Portfolio includes the preferred equity interest in the special purpose company (the TMK); the preferred equity interest is counted as a hotel property, based on the use of Sheraton Grande Tokyo Bay Hotel, the underlying asset of the preferred equity interest. Moreover, INV's investment amount to the preferred equity interest is counted as the acquisition price of the preferred equity interest. Hereinafter the same, unless otherwise noted.
- (Note 2) The "Disney hotels" are hotels under direct management of Oriental Land Co., Ltd. operating TDR using the Disney brand (four hotels). The "Tokyo Disney Resort official hotels" consist of the designated hotels within the Tokyo Disney Resort Area (six hotels). Such specified names are based on the TDR's hotel alliance program. "Tokyo Disney Resort" means Tokyo Disneyland, Tokyo DisneySea and related facilities, while the "Tokyo Disney Resort Area" means the bayside area to the south of "Maihama Station" on JR Keiyo Line where Tokyo Disneyland, Tokyo DisneySea and the related facilities are located.
- (Note 3) The simulated dividend yield is calculated by dividing (A) the product of (a) the simulated dividend, which is calculated by deducting (i) simulated expenses such as operating expense of the TMK and the interest of debt from (ii) the NOI of the Sheraton Grande Tokyo Bay Hotel stated in the appraisal report of the Tanizawa Sōgō Appraisal Co., Ltd. on the valuation date of July 1, 2017, and multiplied by (b) ownership ratio of the preferred equity interest (49.0%), by (B) the acquisition price (INV's investment amount to the preferred equity interest). As the simulated dividend is the reference data calculated based on the appraisal NOI and simulated expenses calculated by the Asset Manager, there are possibilities that the actual dividend yield is far differed from such reference data or the dividend is not distributed at all.
- (Note 4) Calculated by dividing actual NOI for July 1, 2016 – June 30, 2016 for the properties sold in July 2017 and January 1, 2017 – December 31, 2017 for other properties by the sale price.
- (Note 5) Based on the book value as of the date of sale.
- (Note 6) Appraisal Value is based on appraisal value stated in the appraisal reports by Assets Research and Development Inc. on the valuation date of June 30, 2017 or December 1, 2017, appraisal reports by Japan Real Estate Institute on the valuation date of December 1, 2017 or December 31, 2017, appraisal reports by Tanizawa Sōgō Appraisal Co., Ltd. on the valuation date of December 1, 2017, or appraisal report by Morii Appraisal & Investment Consulting, Inc. on the valuation date of December 1, 2017.
- (Note 7) Calculated by dividing the total NOI derived from the direct capitalization method stated in the appraisal reports by The Tanizawa Sōgō Appraisal Co., Ltd. on the valuation date of January 1, 2018 by the total

acquisition price, and rounded to one decimal place.

(b) Operational Environment and Performance

For the December 2017 period, the portfolio NOI increased by 18.9% or JPY 1,593 million to JPY 10,008 million compared to the same period in the previous year (the December 2016 period), with an 11.2% increase from the hotel portfolio and a 7.8% increase from the residential portfolio.

In addition, the portfolio maintained a high average occupancy rate (Note 1) of 97.9%. Commentary on hotel and residential performance in the first half of 2017 is described below.

The NOI at the 40 hotels owned by INV (Note 2) increased by 3.6% for the period compared to the same period in the previous year. The 40 hotels recorded an occupancy rate (Note 3) of 90.6% (+0.1 points YoY), ADR (Note 4) of JPY 10,083 (+0.8% YoY), and RevPAR (Note 5) of JPY 9,131 (+0.9% YoY). Of the total hotel revenue from the 53 hotels INV owns (Note 6), fixed rents accounted for 49.1% (JPY 3,623 million) and variable rents accounted for 50.8% (JPY 3,741 million) at the 53 hotels.

Inbound visitors reached a record high of 28.6 million (+19.3% YoY) in 2017 while government targets are 40 million in 2020 and 60 million in 2030. Under such circumstances, MHM, a hotel operator in the sponsor group which operates 84 hotels nationwide, including 45 hotels in INV's portfolio, is continually enhancing its operations and recently launched its new website which has initially resulted in higher conversion rates. MHM is also in the process of launching a new online reservation system in order to increase direct bookings to save commissions and have more direct customers. MHM has also recently launched a new revenue management system based on machine learning to improve the overbooking algorithms to help offset cancellation and improve revenue at the hotels overall. MHM is continuing to court the increasing foreign tourism business which accounted for 42% (Note 7) of INV owned MyStays Hotel (Note 8) revenue in 2017. In addition to having multi-lingual chat and staff, MHM has sought to increase its Chinese guest count by being the first Japanese hotel company to list its rooms on Fliggy, Alibaba's online marketplace in China selling hotels, tours and other travel-related services from online travel agencies and direct travel service providers, commencing from September 2017. MHM was the top international chain by revenue on Fliggy and won an award for Single's Day in China.

The NOI (Note 9) of the 70 residential properties (Note 10) increased 0.9% compared to the same period in the previous year, and the average occupancy rate achieved a stable 94.8%, a decrease of 0.5 points compared to the same period in the previous year.

As a continued focus on proactive asset management INV changed ML/PM for four residential properties (Note 11) including Royal Parks Tower Minami-Senju, a flagship residential asset aiming to increase NOI by JPY 39 million per year on an estimated basis (Note 12).

Trends for rent at city-center residential properties with small-type rooms maintained a moderate increase. Under the positive circumstances in the macro environment, INV continues to focus on its rent increase program for new leases and renewals as well as initiatives to reduce residential leasing costs based on a market analysis of each unit and property. In the Reporting Period, INV realized a rent increase for 47.5% (based on the number of contracts) of the new residential lease contracts for an average rent increase of 2.4% compared to the previous rent across all new leases (Note 13). Specifically, at Royal Parks Tower Minami-Senju, the flagship residential property which was acquired during the previous period, INV achieved strong results with a rent increase for 87.3% (based on the number of contracts) of the new lease contracts with an average rent increase of 10.3% compared to the previous rent across all new leases (Note 13). INV achieved a rent increase for 59.2% (based on the number of contracts) of contract renewals for an average rent increase of 2.0% compared to the previous rent across all renewal leases (Note 14), while maintaining a high contract renewal rate of 85.3% (Note 13). Combined, new leases and renewal leases were signed at 2.2% higher than the previous leases.

The total appraisal value of 125 properties (Note 6) at the end of the Reporting Period was JPY 400,007 million. The portfolio has an unrealized gain of JPY 72,297 million (Note 15) and an unrealized gain ratio of 22.1% (Note 15). The total appraisal value of 121 properties which were owned throughout the Reporting Period (including an additional portion of Hotel Mystays Gotanda Station), increased by 0.4% from JPY 358,719 million at the end of June 2017 period to JPY 360,007 million at the end of the Reporting Period.

Key Performance Indicators of 40 Hotel Properties (Note 2)

	December 2017 fiscal period	Year-on-year change
Occupancy Rate (Note 3)	90.6%	+0.1pt
ADR (JPY) (Note 4)	10,083	+0.8%
RevPAR (JPY) (Note 5)	9,131	+0.9%
GOP (JPY million) (Note 16)	6,232	+3.3%

Key Performance Indicators of 70 Residential Properties (Note 11)

	December 2017 fiscal period	Year-on-year change
Occupancy Rate (Note 1)	94.8%	-0.5pt
Average Rent per Tsubo per Month (JPY) (Note 17)	9,709	+1.8%
NOI (JPY million) (Note 10)	2,574	+0.9%

(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 49 acquired hotels held as of the beginning of the December 2017 Fiscal Period, 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-iriyauchi, Comfort Hotel Kurosaki, Comfort Hotel Maebashi, Comfort Hotel Tsubame-Sanjo, Comfort Hotel Kitami and Takamatsu Tokyu REI Hotel. The figures assume that all properties acquired in and after July, 2016 by INV had been owned since July 1, 2016. The actual results before acquisition by INV are based on the data provided by the sellers.

(Note 3) “Occupancy rate” for the hotel properties is calculated in accordance with the following formula:  

$$\text{Occupancy rate} = \frac{\text{total number of occupied rooms during a certain period}}{\text{total number of rooms available during the same period (number of rooms x number of days)}}$$
 Hereinafter the same shall apply.

(Note 4) “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 5) “RevPAR” means revenues 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 6) Excluding Sheraton Grande Tokyo Bay Hotel (preferred equity interest) which does not have appraisal value.

(Note 7) The ratio of sales amount through overseas web agents to revenues.

(Note 8) The ratio of the amount of revenues from bookings through the overseas travel agencies to total revenues for 29 hotels of the 41 hotels in INV’s portfolio that MHM operates as of the date of this document, excluding the following 12 hotels without comparable data against 2016 due to rebranding etc.; Hotel MyStays Nagoya-Sakae, Hotel MyStays Haneda, Hotel MyStays Utsunomiya, Hotel MyStays Gotanda Station, Hotel Epinard Nasu, Hotel MyStays Premier Kanazawa, Hotel MyStays Premier Hamamatsucho, Hotel MyStays Dojima, Hotel MyStays Shin Osaka Conference Center, Hotel MyStays Premier Omori, Beppu Kamenoi Hotel and Hotel MyStays Sapporo Station. The figures assume that all hotels acquired in and after July 2016 by INV had been owned since July 1, 2016. The actual results before acquisition by INV are based on the data provided by the sellers.

(Note 9) For the comparison of NOI, insurance income and related repair expenses, which are temporary items, are excluded.

- (Note 10) Based on the 70 residential properties owned as of the beginning of December 2017 Fiscal Period. Of the 70 properties, three properties (Casa Eremitaggio, Lexel Mansion Ueno-Matsugaya and Sun Terrace Minami-Ikebukuro) were sold on December 28, 2017. Therefore, for the three properties, July 1, 2017 through December 28, 2017, or the disposition date, is deemed the operating period for the fiscal period ended December 2017, and the leased area and the leasable area as of December 28, 2017 is deemed as the leased area and the leasable area for such properties as of the end of December 2017 to calculate each number. Hereinafter the same shall apply. In addition, the figures for the properties acquired after July 2016 are calculated on the assumption INV had acquired those properties on January 1, 2016, using the actual figures provided by the sellers of such properties for the period before the acquisition, for the purpose of comparison with previous year.
- (Note 11) ML and PM for Royal Parks Shinden and Royal Parks Momozaka were changed on July 1, 2017 and August 1, 2017 respectively, and ML and PM for both Royal Parks Tower Minami-Senju and Royal Parks Seair Minami-Senju were changed on December 1, 2017.
- (Note 12) This is a figure estimated by the Asset Manager as of the date of this document, and there is no guarantee that INV can realize such increase in NOI.
- (Note 13) Increase or decrease in the sum of monthly rents on new or renewal contracts, or the total of both, compared with the sum of previous rents.
- (Note 14) Renewal rate is calculated by the number of renewed contracts during the relevant period divided by the number of contracts due up for renewal during the relevant period
- (Note 15) 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 16) “GOP,” means the gross operating profit, and is the amount remaining after deducting costs of hotel operations (the personnel, utility 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 17) “Average Rent per Tsubo per Month” is calculated by dividing the total rental revenue including common area charges for each month by the sum of total leased area at the end of each month during the relevant period.

(c) Overview of Fund Raising

As a result of the measures described below, INV’s interest-bearing debt outstanding balance was JPY 186,983 million and the Interest-Bearing Debt ratio (Note 1) and LTV (Note 2) were 50.0% and 44.5% respectively, as of the end of the Reporting Period, with an average interest rate (Note 3) of 0.51%.

(i) Equity Finance

INV executed a global public offering (the “Public Offering”) which closed on October 12, 2017 (number of new investment units issued: 887,959; total issue value: JPY 37,917 million) and a third party allotment which closed on November 1, 2017 (number of new investment units issued: 44,398; total issue value: JPY 1,895 million) in connection with the Public Offering in order to procure part of the funds for the acquisition of five hotels (including an additional portion of Hotel MyStays Gotanda Station, an existing hotel) and preferred equity interest in a special purpose company.

(ii) Debt Finance

In tandem with the Public Offering as described in (i) above, INV borrowed a new loan, New Syndicate Loan (H) (amount borrowed: JPY 22,993 million; interest rate: variable interest rate of 1-month JPY TIBOR plus 0.8%, 0.7%, 0.6%, 0.4%, 0.3%, 0.25% and 0.2% for durations of seven, six, five, four, three, two and one years), which was arranged by Mizuho Bank, Ltd. as arranger and Sumitomo Mitsui Banking Corporation as co-arranger in order to pay a portion of the acquisition price and related expenses for the acquisition of the specified assets.

In the Reporting Period, INV also filed a shelf registration statement of investment corporation bonds to the Kanto Local Finance Bureau (planned amount of issue: JPY 100 billion, planned issue period: from August 2, 2017 to

August 1, 2019) on July 25, 2017.

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

Interest-Bearing Debt ratio = total outstanding interest-bearing debt (excluding consumption tax loan of JPY 1,068 million)/total assets x 100

(Note 2) LTV uses the calculation formula below:

LTV = total outstanding interest-bearing debt/total appraisal value (\*) x 100

(\*) Since appraisal value for Sheraton Grande Tokyo Bay Hotel (preferred equity interest) is not available, the acquisition price of the preferred equity interest (JPY 17,845 million) has been added as appraisal value of Sheraton Grande Tokyo Bay Hotel (preferred equity interest).

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

(d) Overview of Acquisition of Assets

(i) Acquisition of preferred equity interest

The overview of preferred equity interest in Kingdom special purpose company (the “Kingdom TMK”) acquired on October 13, 2017 is as follows:

(1) Asset acquired	Preferred equity interest (the “Preferred Equity Interest”) provided in Article 2(9) of the Act on Securitization of Assets (Act No. 105 of 1998, as amended) (Note1)
(2) Number of units of preferred equity interest to be issued	Preferred Equity Interest: 364,200 units
(3) Number of units of preferred equity interest acquired (ratio of interest holding)	Preferred Equity Interest: 178,458 units (49.0%)
(4) Acquisition price	JPY 17,845 million for 49.0% of the Preferred Equity Interest (Note 2)
(5) Name of underlying asset	The Sheraton Grande Tokyo Bay Hotel (the “Underlying Asset”)

(Note 1) Along with acquisition of the Preferred Equity Interest, INV have acquired a 24.0% stake in the specified equity interests in the TMK, as well as 49.0% of equity interest in a limited liability company (LLC), a holding company, (the “Holding Company”) that owns 100% of equity interest in Keiyo Resort Development, G.K., a master lease company of the Underlying Asset (the “ML”).

(Note 2) The acquisition price is the investment amount. The amount does not include any taxation including consumption tax and is rounded down to the nearest million yen. In addition, the acquisition price of the specified equity interest and the equity interest in the Holding Company described in (Note 1) is JPY 24,000 and JPY 9.8 million, respectively. Since these amounts are very small, they are not included in the acquisition price.

(ii) Acquisition of four hotels

The overview of four hotels acquired on October 13, 2017 is as follows:

Use	Property number	Property name	Location	Acquisition price (JPY million) (Note 1)	Appraisal value (JPY million) (Note 2)	Seller	Category of specified asset
Hotel	D50	Hotel MyStays Shin Osaka Conference Center	Osaka, Osaka	13,068	13,200	HL Investments Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D51	Hotel MyStays Premier Omori	Shinagawa-ku, Tokyo	9,781	9,880	Septentrio3 Tokutei Mokuteki Kaisha	
	D52	Beppu Kamenoi Hotel	Beppu, Oita	8,870	8,960	Monza Tokutei Mokuteki Kaisha	
Hotel	D53	Hotel MyStays Sapporo Station	Sapporo, Hokkaido	7,880	7,960	Suisei Tokutei Mokuteki Kaisha	Trust Beneficial Interest
Total				39,599	40,000		

(Note 1) Acquisition Prices show purchase prices set forth in the purchase and sale agreements for the trust beneficiary interests and do not include adjustments for property taxes, city planning taxes, or national or local consumption taxes.

(Note 2) Appraisal Value is based on appraisal value stated in the appraisal report by the Tanizawa Sōgō Appraisal Co., Ltd. on the valuation date of July 1, 2017.

(iii) Additional acquisition of one hotel property

The overview of additional portion of a hotel (Note 1) acquired on October 31, 2017 is as follows:

Use	Property number	Property name	Location	Acquisition price (JPY million)	Appraisal value (JPY million) (Note 2)	Seller	Category of specified asset
Hotel	D43	Hotel MyStays Gotanda Station (Additional Acquisition Portion)	Shinagawa-ku, Tokyo	1,849	2,600	Undisclosed (Note 3)	Trust Beneficiary Interest

(Note 1) This is the acquisition of hotel floor expanded by conversion in addition to the portion of hotel already owned by INV.

(Note 2) As the floor expansion portion was under construction at the time of acquisition, the appraisal value shows the research value set forth in the research report on the valuation date of June 30, 2017, issued by Morii Appraisal & Investment Consulting, Inc. The research value shows the difference between (i) the research value of existing hotel portion and floor expansion portion combined, assuming the completion of the conversion (JPY 27,400 million) and (ii) the research value for the existing hotel portion before the additional acquisition (JPY 24,800 million).

(Note 3) The name of the seller is not disclosed, as the seller's consent has not been obtained for disclosure.

(e) Overview of Sale of Assets

The Asset Manager decided sales of assets as follows for the purpose of improving the profitability of INV's portfolio by rebalancing of assets and stabilizing the distribution by recognizing a gain on sales.

(i) Sale of one office building and one parking lot

The Asset Manager decided to sell following assets on July 25, 2017, and sales of the assets has been closed on July 31, 2017. The proceeds from the sale was appropriated to the funds for the acquisition described in “(d) Overview of Acquisition of Assets (iii) Additional acquisition of one hotel property.”

Use	Property number	Property name	Acquisition price (JPY million)	Book value (JPY million) (Note 1)	Sales price (JPY million) (Note 2)	Difference b/w sales price and book value (Note 1)	Transferee	Category of specified asset
Office Building	B08	Kindai Kagaku Sha Building	1,301	1,197	1,361	163	Undisclosed (Note 3)	Trust Beneficiary Interest (Note 4)
Parking Lot	C01	Times Kanda-Sudacho 4th	97	100	130	29	Wastec HOLDINGS Co., Ltd.	Real Property
Total			1,398	1,298	1,491	192		

(Note 1) The book values are as of July 31, 2017. The difference between sales price and book value is provided for reference purpose. INV recognized a gain on sales of JPY 141 million (of which, JPY 115 million for Kindai Kagaku Sha Building, and JPY 25 million for Times Kanda-Sudacho 4th) in the December 2017 period, after deducting sales-related expenses.

(Note 2) Sales prices do not include adjustments for fixed asset taxes or city planning taxes, or national or local consumption taxes. Hereafter the same.

(Note 3) The name of the transferee is not disclosed, as the transferee’s consent has not been obtained for disclosure.

(Note 4) The trust beneficiary interest of Kindai Kagaku Sha Building was integrated in a single trust account with other trust accounts when INV procured funds through debt financing backed by trust assets in July 2011. In transferring the sole trust beneficiary interest of Kindai Kagaku Sha Building by itself, INV incurred some expenses to detach the asset from the integrated trust account.

(ii) Sale of six residential properties

The Asset Manager decided to sell following assets on December 21, 2017, the sale of the three assets (A56, A62 and A81) has been completed on December 28, 2017, and the sale of the three assets (A31, A36 and A42) has been completed on January 31, 2017. The proceeds from the sale is appropriated to the funds for the acquisition described in “c Significant Subsequent Events (a) Acquisition of assets.”

Use	Property number	Property name	Acquisition price (JPY million)	Book value (JPY million) (Note 1)	Sales price (JPY million)	Difference b/w sales price and book value (Note 1)	Transferee	Category of specified asset
Residential	A31	Harmonie Ochanomizu	1,428	1,346	1,603	256	Undisclosed (Note 2)	Trust Beneficiary Interest (Note 3)
	A36	Growth Maison Ikebukuro	825	743	1,057	314		
	A42	Capital Heights Kagurazaka	604	623	732	108		
	A56	Casa Eremitaggio	1,070	948	1,312	363		
	A62	Lexel Mansion Ueno Matsugaya	970	853	1,329	475		
	A81	Sun Terrace Minami-Ikebukuro	625	591	934	343		
Total			5,523	5,106	6,970	1,863		

(Note 1) The difference between sales price and book value indicates estimate for reference purpose calculated using the book values as of December 28, 2017, the date of sale, for the properties sold during the fiscal period ended December 2017, and as of December 31, 2017 for the remainder; INV recognize a gain on sales of JPY 1,109 million in the fiscal period ended December 2017, and estimate to recognize JPY 594 million for the fiscal period ending June 2018.

(Note 2) The name of the transferee (a Japanese TMK (*Tokutei Mokuteki Kaisha*)) is not disclosed, as the transferee's consent has not been obtained for disclosure.

(Note 3) Each of the trust beneficiary interest of Harmoni Ochanomizu, Growth Maison Ikebukuro and Capital Heights Kagurazaka was integrated in a single trust account with other trust accounts when INV procured funds through debt financing backed by trust assets (the "Trust Asset-Backed Borrowing") in July 2011. In transferring the sole trust beneficiary interest of the abovementioned three properties by itself, INV incurred some expenses to detach from the integrated trust account, effective as of December 22, 2017.

(iii) Sale of three office buildings

The Asset Manager decided to sell following assets on December 26, 2017, the sale of one asset (B09) has been completed on the date and the sale of two assets (B15 and B16) has been completed on January 31, 2017. The proceeds from the sale is appropriated to the funds for the acquisition described in "c Significant Subsequent Events (a) Acquisition of assets."

Use	Property number	Property name	Acquisition price (JPY million)	Book value (JPY million) (Note 1)	Sales price (JPY million)	Difference b/w sales price and book value (Note 1)	Transferee	Category of specified asset
Office Building	B09	Shinjuku Island	715	701	705	3	Undisclosed (Note 2)	Real Property
	B15	Cross Square NAKANO	1,060	1,125	1,350	224	Taisei-Yuraku Real Estate Co.,Ltd	Trust Beneficiary Interest
	B16	Ohki Aoba Building	816	725	721	(4)	Kubota Honten	Trust Beneficiary Interest
Total			2,591	2,552	2,776	223		

(Note 1) The difference between sales price and book value indicates estimate for reference purpose calculated using the book values as of December 26, 2017, the date of sale, for the property sold during the fiscal period ended December 2017, and as of December 31, 2017 for the remainder; INV recognized a loss on sales of JPY 7 million (Shinjuku Island) and an impairment loss of JPY 15 million (Ohki Aoba Building) for the fiscal period ended December 2017, and estimates to record a gain on sale of JPY 202 million (Cross Square NAKANO) for the fiscal period ending June 2018.

(Note 2) The name of the transferee (a Japanese business corporation) is not disclosed, as the transferee's consent has not been obtained for disclosure.

#### (f) Overview of Results of Operations and Distributions

As a result of the operations mentioned above, operating revenues for the Reporting Period increased by JPY 3,387 million from the previous period (+36.6%) to JPY 12,647 million, and net income increased by JPY 2,601 million (+55.3%) to JPY 7,303 million. The distribution per unit ("DPU") for the Reporting Period was JPY 1,564, an increase of JPY 300 (+23.7%) compared to the previous period.

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 fiscal period ending December (from July to December) which include summer holiday and autumn outing seasons tend to record higher revenue than the fiscal period ending June (from January to June). Accordingly, INV's rental revenues tend to be higher in the fiscal period ending December than in the fiscal period ending June.

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. 26 of 1957; as amended), and decided to distribute almost all of the profit as defined in Article 136, Paragraph 1 of the Investment Trust Act, except for fractional distribution per unit less than JPY 1.

INV believes that 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. 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. INV may also consider making distributions in excess of profits for the purpose of mitigating the impact of corporate tax increase arising from different rules and practices in tax and accounting, such as treatment on depreciation of fixed term land lease or asset retirement obligation.

With respect to the distribution for the fiscal period ended December 2017, INV will distribute an aggregate amount of JPY 7,496 million (distribution per unit: JPY 1,564); of which, INV pay JPY 7,323 million as profit distribution, out of distributable profit of JPY 7,326 million which is a total of Net Income for the fiscal period ended December 2017 (JPY 7,303 million) adjusted by loss brought forward from the previous fiscal period and deferred tax gain or loss. In addition, INV pays excess profit distribution of JPY 172million (JPY 36 per unit)

b Outlook for the Fiscal Period Ending June 30, 2018 and December 31, 2018

The DPU (including excess profit distribution) for the June 2018 and December 2018 periods are forecast to be JPY 1,383 (+9.4% YoY) and JPY 1,562 (-0.1% YoY), respectively. The full year DPU (including excess profit distribution) for calendar year 2018 is forecast to be JPY 2,945 (+4.1% YoY), providing steady growth.

Future operational policy and issues to be addressed

Since July 2011, INV has enhanced unitholder value by significantly increasing DPU and financial stability with the Fortress Group as its sponsor. Since Fortress Group joined under the umbrella of Softbank Group in December 2017, in addition to continued access to Fortress's global real estate expertise, INV will seek to leverage the resources that are expected to become available through SoftBank Group. SoftBank Group has market-leading expertise in technology fields such as digital marketing for both mobile and desktop, online payment systems, search engine optimization, AI and robotics. INV believes that deployment of technology into INV's real estate assets, especially its hotels, will enhance the ongoing initiatives to improve its digital marketing, minimize labor costs and increase customer engagement. For example, INV plans to pursue opportunities to better manage the increased number of foreign visitors and their related online research, bookings and payments, improve the process in setting hotel rates and manage overbooking through the use of sophisticated AI algorithms, and reduce labor costs while enhancing customer service through the use of robotics.

In addition to pursuing synergy with Softbank Group, going forward, INV will continue to implement various strategies to maintain further growth and financial stability, including the following measures.

- Continuous acquisition of properties from large pipeline provided by the sponsor and third parties
- Further internal growth at hotel and residential properties
- Diversification of financing measures including the issuance of investment corporation bonds and extension and diversification of loan 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 67.2% of total revenue (Note 1). 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 in nearby areas, 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. On February 7, 2018, INV acquired four hotels as mentioned in below "c Significant Subsequent Events (a) Acquisition of assets."

In regards to residential properties, INV will analyze occupancy rates, rental market trends, the presence of competing properties among other factors, and consider acquiring properties that have mainly small-type rooms with strong competitiveness in large cities, in which it believes it can achieve increases in rent.

INV has achieved steady external growth via the sponsor pipeline from the Fortress Group, 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
March 2017	Two residential properties	JPY 24,562 million
May 2017	One hotel	JPY 8,000 million
October 2017	Five hotels (Note 2)	JPY 57,444 million (Note 2)
February 2018	Four hotels	JPY 12,425 million
Total	87 properties (of which 56 are hotels and 31 are residential properties)	JPY 307, 889 million (of which hotels: JPY 256, 251 million; residential: JPY 51,638 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 17 hotels and nine residential properties (see the table below) (Note 2). 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 3)	Location	No. of rooms
1	Hotel MyStays Premier Akasaka	Limited Service Hotel	Minato-ku, Tokyo	327
2	Rihga Royal Hotel Kyoto	Full Service Hotel	Kyoto-shi, Kyoto	489
3	Hotel MyStays Premier Narita	Full Service Hotel	Narita, Chiba	711
4	Hotel MyStays Premier Sapporo Park	Full Service Hotel	Sapporo, Hokkaido	418
5	Fusaki Resort Village	Resort Service Hotel	Ishigaki, Okinawa	188
6	Art Hotel Asahikawa	Full Service Hotel	Asahikawa, Hokkaido	265
7	Hotel MyStays Kanazawa Castle	Limited Service Hotel	Kanazawa, Ishikawa	206
8	Hotel MyStays Matsuyama	Full Service Hotel	Matsuyama, Ehime	161
9	Hotel MyStays Ueno East	Limited Hotel	Taito-ku, Tokyo	150
10	Hotel MyStays Midosuji Honmachi	Limited Hotel	Osaka, Osaka	108
11	S Hotel Mystays Sapporo Nakajima Park	Limited Service Hotel	Sapporo, Hokkaido	86
12	Flexstay Inn Sakuragicho	Limited Service Hotel	Yokohama, Kanagawa	70
13	MyCUBE by MYSTAYS Asakusa Kuramae	Limited Service Hotel	Taito-ku, Tokyo	161
14	Hotel MyStays Fuji Onsen Resort	Resort Hotel	Fujiyoshida, Yamanashi	159
15	Hotel Nord Otaru	Limited Service Hotel	Otaru, Hokkaido	98
16	Hotel Sonia Otaru	Limited Service Hotel	Otaru, Hokkaido	94

No.	Asset name	Asset type (Note 3)	Location	No. of rooms
17	Art Hotel Niigata Station	Full Service Hotel	Niigata, Niigata	304
Hotel subtotal				3,995
18	Gran Charm Hiroo	Residential/Small Type	Shibuya□ku, Toky	121
19	Plestay Win Kinshicho	Residential/Small Type	Sumida□ku, Tokyo	92
20	Gran Charm Kichijoji	Residential/Small Type	Musashino, Tokyo	28
21	Green Patio Noda	Residential/Small Type	Noda, Chiba	240
22	Dainichi F□45	Residential/Small Type	Urayasu, Chiba	54
23	Gran Charm Urayasu	Residential/Small Type	Urayasu, Chiba	54
24	Gran Charm Urayasu 5	Residential/Small Type	Urayasu, Chiba	54
25	Gran Charm Minami Gyotoku I	Residential/Small Type	Ichikawa, Chiba	52
26	Gran Charm Minami Gyotoku II	Residential/Small Type	Ichikawa, Chiba	48
Residential property subtotal				743
Total				4,738

(Note 1) The percentage indicates composition of rent revenue based on the actual results for the fiscal period ended December 2017.

(Note 2) Sheraton Grande Tokyo Bay Hotel acquired by the TMK, of which INV owned the preferred equity interest, is counted as one property and the INV's investment amount to the preferred equity interest is counted as the acquisition price of the preferred equity interest.

(Note 3) The term of validity of the MOU is from September 21, 2017, the date of execution of the updated MOU, to September 20, 2018. Regarding the 26 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 4) 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>.

### 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 considers the possibility of portfolio optimization upon consideration of the portfolio sector composition, geographic distribution and competitiveness of each property, as appropriate and previously detailed in the Asset Recycling Program.

#### (ii) Strategy for internal growth

##### (Hotels)

Of the 54 hotels owned by INV as of the end of the Reporting Period, 45 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 as a result 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 41 hotels (Note 1), MHM has implemented sophisticated 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.

For hotels, renovation of rooms and replacement of fixtures and fittings is indispensable to maintain and increase revenues. In the fiscal period ending June 2018, INV plans to renovate the following five hotels; Hotel MyStays Kyoto-Shijo, MyStays Shinurayasu Conference Center, Hotel MyStays Maihama and Hotel MyStays Dojima and Hotel Nets Hakodate.

(Residential properties and others)

INV will continue to strengthen its collaborative ties with PM 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 June 2018 period, 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.

(Note 1) Hotel MyStays Dojima (former Hotel Vista Premio Dojima), whose operator was changed effective on August 1, 2017, is included. As of the date of this document, MHM manages 45 hotels in INV's portfolio, including the four hotels acquired on February 7, 2018. In addition, MHM will commence to management one hotel as of May 1, 2018.

(iii) Financial strategy

In the Reporting Period, INV further stabilized its financial base executing a public offering in October 2017, by borrowing new loans in connection with the public offering, and strengthening and maintaining relationships with existing lenders. 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 of loan tenor, diversification of loan maturity dates, further reduction of borrowing costs and improvement of its credit rating.

(iv) Compliance risk management

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

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

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

c Significant Subsequent Events

INV used the proceeds from the above sales and previous asset sales to acquire four hotels on February 7, 2018 from affiliates of the Sponsor, FIG, for a price of JPY 12,425 million and at an average appraisal NOI cap rate of 6.2%. The four hotels are well located and positioned in their respective sub-markets and are all operated by MHM. This acquisition was accretive to the portfolio on an NOI basis and occurred without issuing any new debt or equity.

As a result, INV's portfolio comprises of 125 properties (58 hotels, 64 residential properties and three others) with a total acquisition price of JPY 361,386 million as of the date of this document.

INV announced the sale of Lexington Plaza Nishi-Gotanda (“Nishi-Gotanda”), a non-core office building, for JPY 5,160 million at an NOI cap rate of 4.2%, or 3.2% after depreciation. The sale is at a JPY 498 million or 10.7% premium to book value and a JPY 910 million or 21.4% premium to appraisal value. Furthermore, INV will have JPY 4,700 million of cash on hand from the sale of Nishi-Gotanda on March 9, 2018, and is currently working on several acquisitions to further invest the cash by utilizing the Sponsor pipeline.

(a) Acquisition of assets

The Asset Manager decided to acquire four hotels on February 5, 2018, and acquisition of assets has been closed on February 7, 2018 as follows:

Use	Property number	Property name	Location	Acquisition price (JPY million)	Appraisal value (JPY million) (Note 1)	Seller	Category of specified asset
Hotel	D54	Hotel MyStays Yokohama-Kannai	Yokohama, Kanagawa	5,326	5,380	Ginga Tokutei Mokuteki Kaisha	Trust Beneficial Interest
	D55	Art Hotel Joetsu	Joetsu, Niigata	2,772	2,800	HL Investments Tokutei Mokuteki Kaisha	
	D56	Art Hotel Hirosaki City	Hirosaki, Aomori	2,723	2,750	Monza Tokutei Mokuteki Kaisha	
	D57	Hotel MyStays Oita	Oita, Oita	1,604	1,620	Susei Tokutei Mokuteki Kaisha	
Total				12,425	12,550		

(Note 1) Appraisal Value is based on appraisal value stated in the appraisal report by the Tanizawa Sōgō Appraisal Co., Ltd. on the valuation date of January 1, 2018.

(b) Sale of asset

Use	Property number	Property name	Acquisition price (JPY million)	Book value (JPY million) (Note 1)	Sales price (JPY million) (Note 2)	Difference b/w sales price and book value (Note 1)	Transferee	Category of specified asset
Office Building	B14	Lexington Plaza Nishi-Gotanda	4,880	4,639	5,160	520	Undisclosed (Note 3)	Trust Beneficiary Interest (Note 4)

(Note 1) The book values are as of December 31, 2017. The difference between sales price and book value is provided for reference purpose. INV estimates to recognize a gain on sales of JPY 395 million in the June 2018 period, after deducting sales-related expenses.

(Note 2) Sales prices do not include adjustments for fixed asset taxes or city planning taxes, or national or local consumption taxes.

(Note 3) The name of the transferee is not disclosed, as the transferee’s consent has not been obtained for disclosure.

d Operational Outlook

The forecasts of financial results for the fiscal periods ending June 30, 2018 and December 31, 2018 are as follows.

Fiscal period ending June 30, 2018 (from January 1, 2018 to June 30, 2018)

Operating Revenues	JPY 12,784 million
Operating Income	JPY 8,081 million
Ordinary Income	JPY 7,370 million
Net Income	JPY 7,369 million
Total Distribution Amount (Including excess profit distribution)	JPY 6,628 million
Net Income per Unit	JPY 1,537
Distribution per Unit (Excluding excess profit distribution)	JPY 1,383
Excess Profit Distribution per Unit	-
Distribution per Unit (Including excess profit distribution)	JPY 1,383

Fiscal period ending December 31, 2018 (from July 1, 2018 to December 31, 2018)

Operating Revenues	JPY 12,884 million
Operating Income	JPY 8,129 million
Ordinary Income	JPY 7,410 million
Net Income	JPY 7,409 million
Total Distribution Amount (Including excess profit distribution)	JPY 7,486 million
Net Income per Unit	JPY 1,545
Distribution per Unit (Excluding excess profit distribution)	JPY 1,562
Excess Profit Distribution per Unit	-
Distribution per Unit (Including excess profit distribution)	JPY 1,562

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

(Reference) Full-year 2018 (Aggregate of the fiscal periods ending June 2018 and December 2018)

Operating Revenues	JPY 25,668 million
Operating Income	JPY 16,210 million
Ordinary Income	JPY 14,780 million
Net Income	JPY 14,778 million
Total Distribution Amount (Including excess profit distribution)	JPY 14,114 million
Net Income per Unit	JPY 3,082
Distribution per Unit (Excluding excess profit distribution)	JPY 2,945
Excess Profit Distribution per Unit	-
Distribution per Unit (Including excess profit distribution)	JPY 2,945

For the assumptions underlying the operational outlook for the fiscal periods ending June 30, 2018 and December 31, 2018, please see “Assumptions Underlying the Forecast of Financial Results and Distribution for the Fiscal Periods ending June 30, 2018 and December 31, 2018”

(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 2018 and December 2018 >**

Item	Assumptions																		
Fiscal period	The June 2018 fiscal period: from January 1, 2018 to June 30, 2018 (181 days) The December 2018 fiscal period: from July 1, 2018 to December 31, 2018 (184 days)																		
Assets under management	Assets held as of the end of the June 2018 fiscal period: 123 properties and preferred equity interests in one special purpose company Assets held as of the end of the December 2018 fiscal period: 123 properties and preferred equity interests in one special purpose company  INV assumes the transfer of two office buildings and three residential properties on January 31, 2018, the acquisition of four hotel properties on February 7, 2018 and the transfer of one office building on March 9, 2018 and that there will no other changes through the end of the fiscal period ending December 2018. However, INV is considering acquisition of properties during the fiscal period ending June 2018 by utilizing the proceeds to be obtained from the sale of one office building on March 9, 2018																		
Units outstanding	As of the end of the June 2018 fiscal period: 4,793,181 units As of the end of the December 2018 fiscal period: 4,793,181 units  INV assumes there will be no change to the current 4,793,181 units issued and outstanding through the end of the fiscal periods.																		
Interest-bearing liabilities	Balance as of the end of the June 2018 fiscal period: JPY 186,983 million Balance as of the end of the December 2018 fiscal period: JPY 185,915 million  INV assumes that of the current balance of JPY 186,983 million, INV intends to repay consumption tax loan of JPY 1,068 million and refinance short term loan of JPY 2,000 million in December 2018 fiscal period at a similar condition. INV assumes no other new loan or prepayment of loan through the end of the December 2018 fiscal period.																		
Operating revenues	INV expects to record rental revenues as follows: <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"></th> <th style="text-align: center;">June 2018 Fiscal Period</th> <th style="text-align: center;">December 2018 Fiscal Period</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">• Rental revenues</td> <td style="text-align: right;">JPY 11,592 mn</td> <td style="text-align: right;">JPY 12,884 mn</td> </tr> <tr> <td style="text-align: left;">    (of these, hotel rents)</td> <td style="text-align: right;">(JPY 7,020 mn)</td> <td style="text-align: right;">(JPY 8,316 mn)</td> </tr> <tr> <td style="text-align: left;">        (fixed hotel rents)</td> <td style="text-align: right;">(JPY 3,553 mn)</td> <td style="text-align: right;">(JPY 4,320 mn)</td> </tr> <tr> <td style="text-align: left;">        (variable hotel rents)</td> <td style="text-align: right;">(JPY 3,467 mn)</td> <td style="text-align: right;">(JPY 3,995 mn)</td> </tr> <tr> <td style="text-align: left;">• TMK dividend amount</td> <td style="text-align: right;">JPY 763 mn</td> <td style="text-align: right;">JPY 876 mn</td> </tr> </tbody> </table> <p>INV estimates gain on sales of JPY 796 million from sale of Harmony Ochanomizu, Growth Maison Ikebukuro and Capital Heights Kagurazaka completed on January 31, 2018, and JPY 395 million from sale of Lexington Plaza Nishi-Gotanda to be completed on March 9, 2018 for the fiscal period ending June 2018. Rental revenues in the fiscal period ending June 2018, and the fiscal period ending December 2018 are calculated based on estimates as of today. In addition, INV assumes there will be no delinquencies or non-payment of rent by tenants</p>		June 2018 Fiscal Period	December 2018 Fiscal Period	• Rental revenues	JPY 11,592 mn	JPY 12,884 mn	(of these, hotel rents)	(JPY 7,020 mn)	(JPY 8,316 mn)	(fixed hotel rents)	(JPY 3,553 mn)	(JPY 4,320 mn)	(variable hotel rents)	(JPY 3,467 mn)	(JPY 3,995 mn)	• TMK dividend amount	JPY 763 mn	JPY 876 mn
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• TMK dividend amount	JPY 763 mn	JPY 876 mn																	

Item	Assumptions																											
Operating revenues	<p>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 period (from July to December) which include summer holiday and autumn outing seasons tend to record higher revenue than the June ending fiscal period (from January to June). Accordingly, rental revenue of INV tends to be higher in the December ending fiscal period than in the June ending fiscal period.</p>																											
Operating expenses	<p>INV expects to incur property related expenses as follows:</p> <table border="0" data-bbox="534 555 1348 846"> <thead> <tr> <th></th> <th style="text-align: center;">June 2018 Fiscal Period</th> <th style="text-align: center;">December 2018 Fiscal Period</th> </tr> </thead> <tbody> <tr> <td>• Facility management fees (of these, repair costs)</td> <td style="text-align: right;">JPY 503 mn (JPY 36 mn)</td> <td style="text-align: right;">JPY 463 mn (JPY 28 mn)</td> </tr> <tr> <td>• Taxes and other public charges</td> <td style="text-align: right;">JPY 459 mn</td> <td style="text-align: right;">JPY 538 mn</td> </tr> <tr> <td>• Insurance expenses</td> <td style="text-align: right;">JPY 11 mn</td> <td style="text-align: right;">JPY 14 mn</td> </tr> <tr> <td>• Depreciation expenses</td> <td style="text-align: right;">JPY 2,842 mn</td> <td style="text-align: right;">JPY 2,871 mn</td> </tr> <tr> <td>• Other expenses</td> <td style="text-align: right;">JPY 403 mn</td> <td style="text-align: right;">JPY 387 mn</td> </tr> <tr> <td><b>Total property related expenses</b></td> <td style="text-align: right;"><b>JPY 4,221 mn</b></td> <td style="text-align: right;"><b>JPY 4,274 mn</b></td> </tr> </tbody> </table> <p>(Note) Property taxes and city planning taxes on the assets acquired in 2017 are calculated on a pro-rata basis with the previous owners and settled at the time of acquisition, and are not recorded for the fiscal period ended December 2017 and recorded from the fiscal period ending June 2018 as the amount equivalent to such settlement is included in the acquisition cost.</p> <p>INV expects to incur operating expenses other than the property related expenses as follows:</p> <table border="0" data-bbox="534 1126 1348 1283"> <thead> <tr> <th></th> <th style="text-align: center;">June 2018 Fiscal Period</th> <th style="text-align: center;">December 2018 Fiscal Period</th> </tr> </thead> <tbody> <tr> <td>• Other operating expenses (of these, asset management fees)</td> <td style="text-align: right;">JPY 481 mn (JPY 275 mn)</td> <td style="text-align: right;">JPY 479 mn (JPY 275 mn)</td> </tr> </tbody> </table> <p>Although the sale of Ohki Aoba Building was implemented on January 31, 2018 which falls into the fiscal period ending June 2018, the decision of such sale resulting in a loss on sale was determined on December 26, 2017, or during the fiscal period ended December 2017. Therefore, INV recognizes such loss of JPY 15 million as an impairment loss for the fiscal period ended December 2017. (Note)</p>		June 2018 Fiscal Period	December 2018 Fiscal Period	• Facility management fees (of these, repair costs)	JPY 503 mn (JPY 36 mn)	JPY 463 mn (JPY 28 mn)	• Taxes and other public charges	JPY 459 mn	JPY 538 mn	• Insurance expenses	JPY 11 mn	JPY 14 mn	• Depreciation expenses	JPY 2,842 mn	JPY 2,871 mn	• Other expenses	JPY 403 mn	JPY 387 mn	<b>Total property related expenses</b>	<b>JPY 4,221 mn</b>	<b>JPY 4,274 mn</b>		June 2018 Fiscal Period	December 2018 Fiscal Period	• Other operating expenses (of these, asset management fees)	JPY 481 mn (JPY 275 mn)	JPY 479 mn (JPY 275 mn)
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	<p>INV expects to record net operating income as follows:</p> <table border="0" data-bbox="534 1503 1348 1727"> <thead> <tr> <th></th> <th style="text-align: center;">June 2018 Fiscal Period</th> <th style="text-align: center;">December 2018 Fiscal Period</th> </tr> </thead> <tbody> <tr> <td>• NOI</td> <td style="text-align: right;">JPY 10,213 mn</td> <td style="text-align: right;">JPY 11,480 mn</td> </tr> <tr> <td>(of these, hotel NOI)</td> <td style="text-align: right;">(JPY 6,668 mn)</td> <td style="text-align: right;">(JPY 7,898 mn)</td> </tr> <tr> <td>(of these, residential NOI)</td> <td style="text-align: right;">(JPY 2,549 mn)</td> <td style="text-align: right;">(JPY 2,522 mn)</td> </tr> <tr> <td>(of these, TMK dividend)</td> <td style="text-align: right;">(JPY 763 mn)</td> <td style="text-align: right;">(JPY 876 mn)</td> </tr> </tbody> </table> <p>NOI calculation method in the above table is as follows</p> <p>• NOI= Rental Revenues (including TMK dividend, or the amount of dividends on the preferred equity interests) □ Property Related Expenses + Depreciation Expenses</p>		June 2018 Fiscal Period	December 2018 Fiscal Period	• NOI	JPY 10,213 mn	JPY 11,480 mn	(of these, hotel NOI)	(JPY 6,668 mn)	(JPY 7,898 mn)	(of these, residential NOI)	(JPY 2,549 mn)	(JPY 2,522 mn)	(of these, TMK dividend)	(JPY 763 mn)	(JPY 876 mn)												
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Item	Assumptions																		
Non-operating expenses	<p>INV expects to incur non-operating expenses as follows:</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center; width: 20%;">June 2018 Fiscal Period</th> <th style="text-align: center; width: 20%;">December 2018 Fiscal Period</th> </tr> </thead> <tbody> <tr> <td>• Interest expense</td> <td style="text-align: right;">JPY 478 mn</td> <td style="text-align: right;">JPY 484 mn</td> </tr> <tr> <td>• Finance related costs</td> <td style="text-align: right;">JPY 233 mn</td> <td style="text-align: right;">JPY 234 mn</td> </tr> <tr> <td>• Other non-operating expenses (of these, expenses relating to public offering)</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td style="text-align: right;">(-)</td> <td style="text-align: right;">(-)</td> </tr> <tr> <td><b>Total Non-operating expenses</b></td> <td style="text-align: right;"><b>JPY 711 mn</b></td> <td style="text-align: right;"><b>JPY 719 mn</b></td> </tr> </tbody> </table>		June 2018 Fiscal Period	December 2018 Fiscal Period	• Interest expense	JPY 478 mn	JPY 484 mn	• Finance related costs	JPY 233 mn	JPY 234 mn	• Other non-operating expenses (of these, expenses relating to public offering)	-	-		(-)	(-)	<b>Total Non-operating expenses</b>	<b>JPY 711 mn</b>	<b>JPY 719 mn</b>
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	(-)	(-)																	
<b>Total Non-operating expenses</b>	<b>JPY 711 mn</b>	<b>JPY 719 mn</b>																	
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 2018, INV expects to distribute an aggregate amount of JPY 6,628 million (distribution per unit: JPY 1,383) which is the remaining amount after retaining JPY 740 million as internal reserve from Net Income for the fiscal period ending June 2018 (JPY 7,369 million).</p> <p>With respect to the distribution for the fiscal period ending December 2018, INV expects to distribute an aggregate amount of JPY 7,486 million (distribution per unit: JPY 1,562) based on JPY 7,405 million from Net Income for the fiscal period ending December 2018 (JPY 7,409 million) and JPY 81 million from internal reserve.</p> <p>For the fiscal periods ending June 2018 and December 2018. 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 does not assume distributions in excess of profits from allowance for temporary differences adjustment, based on the assumption that the market value of the interest rate swap will remain unchanged for fiscal periods ending June 2018 and December 2018.</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>INV will not make distributions in excess of profits for the fiscal period ending June 2018, as INV intends to retain a certain amount of the net income.</p> <p>Further, while INV will not make distributions in excess of profits as INV will have a certain amount of internal reserve, INV intends to distribute a certain amount from internal reserve in order to cope with the discrepancy between tax and accounting treatment.</p> <table border="0" data-bbox="911 954 1278 1014"> <tr> <td></td> <td style="text-align: center;">June 2018</td> <td style="text-align: center;">December 2018</td> </tr> <tr> <td></td> <td style="text-align: center;">Fiscal Period</td> <td style="text-align: center;">Fiscal Period</td> </tr> </table> <table border="0" data-bbox="555 1016 1305 1077"> <tr> <td style="width: 60%;">Excess profit distribution per unit</td> <td style="width: 20%; text-align: center;">-</td> <td style="width: 20%; text-align: center;">-</td> </tr> </table>		June 2018	December 2018		Fiscal Period	Fiscal Period	Excess profit distribution per unit	-	-
	June 2018	December 2018								
	Fiscal Period	Fiscal Period								
Excess profit distribution per unit	-	-								
<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.</p> <p>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, 2017 (as of June 30, 2017)	Fiscal period ended December 31, 2017 (as of December 31, 2017)
<b>Assets</b>		
Current assets:		
Cash and bank deposits	3,532,405	14,367,140
Cash and bank deposits in trust	6,065,755	6,326,653
Accounts receivable	8,204	8
Rental receivables	1,420,192	1,984,728
Prepaid expenses	445,116	489,098
Consumption taxes receivable	20,823	613,566
Other	0	0
Allowance for doubtful accounts	(33)	(89)
<b>Total current assets</b>	<b>11,492,465</b>	<b>23,781,107</b>
Non-current assets:		
Property and equipment		
Buildings, at cost	85,914	-
Accumulated depreciation	(11,031)	-
Buildings, net	74,883	-
Buildings and accompanying facilities, at cost	38,862	-
Accumulated depreciation	(22,925)	-
Buildings and accompanying facilities, net	15,937	-
Structures, at cost	2,779	-
Accumulated depreciation	(1,533)	-
Structures, net	1,245	-
Tools, furniture and fixtures, at cost	2,395	3,192
Accumulated depreciation	(67)	(218)
Tools, furniture and fixtures, net	2,327	2,973
Land	711,834	-
Buildings in trust, at cost	118,192,822	128,867,905
Accumulated depreciation	(8,155,443)	(9,412,123)
Buildings in trust, net	110,037,378	119,455,782
Buildings and accompanying facilities in trust, at cost	26,991,646	28,454,395
Accumulated depreciation	(5,092,225)	(5,758,755)
Buildings and accompanying facilities in trust, net	21,899,421	22,695,639
Structures in trust, at cost	345,467	262,372
Accumulated depreciation	(169,049)	(112,316)
Structures in trust, net	176,417	150,055
Tools, furniture and fixtures in trust, at cost	898,892	1,065,760
Accumulated depreciation	(273,748)	(335,109)
Tools, furniture and fixtures in trust, net	625,143	730,651
Land in trust	142,046,411	167,845,958
<b>Total property and equipment, net</b>	<b>275,591,001</b>	<b>310,881,062</b>
Intangible assets		
Leasehold rights in trust	16,946,974	16,828,843
<b>Total intangible assets</b>	<b>16,946,974</b>	<b>16,828,843</b>
Investments and other assets		
Investment securities	-	17,854,460
Guarantee deposits	1,651,565	1,651,565
Long-term prepaid expenses	601,737	587,753
Derivatives assets	92,243	113,592
Other	45,062	59,869
<b>Total investments and other assets</b>	<b>2,390,608</b>	<b>20,267,241</b>
<b>Total non-current assets</b>	<b>294,928,585</b>	<b>347,977,146</b>
<b>Total assets</b>	<b>306,421,050</b>	<b>371,758,254</b>

(Unit: JPY thousand)

	Fiscal period ended June 30, 2017 (as of June 30, 2017)	Fiscal period ended December 31, 2017 (as of December 31, 2017)
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	170,911	254,936
Short-term loans payable	-	3,068,000
Current portion of long-term loans payable	-	28,979,000
Accounts payable-other	175,062	51,836
Accrued expenses	164,764	270,486
Income taxes payable	605	605
Advances received	540,675	600,752
Deposits received	15,932	29,190
Total current liabilities	1,067,951	33,254,807
Non-current liabilities:		
Long-term loans payable	163,990,000	154,936,000
Tenant leasehold and security deposits in trust	2,240,373	2,215,299
Tenant leasehold and security deposits	28,663	-
Asset retirement obligations	31,468	31,680
Total non-current liabilities	166,290,505	157,182,980
Total liabilities	167,358,457	190,437,787
<b>Net assets</b>		
Unitholders' equity:		
Unitholders' capital	128,984,946	168,798,455
Surplus:		
Capital surplus	6,264,432	6,264,432
Deduction of capital surplus		
Allowance for temporary differences adjustment	*2 -	*2 (46,329)
Other deduction of capital surplus	(987,516)	(1,022,263)
Total deduction of capital surplus	(987,516)	(1,068,593)
Capital surplus (net)	5,276,915	5,195,838
Retained earnings	4,708,487	7,212,580
Total surplus	9,985,403	12,408,419
Total unitholders' equity	138,970,350	181,206,874
Valuation and translation adjustments:		
Deferred gains or losses on hedges	92,243	113,592
Total valuation and translation adjustments	92,243	113,592
Total net assets	*1 139,062,593	*1 181,320,466
Total liabilities and net assets	306,421,050	371,758,254

## (2) Statement of Income and Retained Earnings

(Unit: JPY thousand)

	Fiscal period ended June 30, 2017 (from January 1, 2017 to June 30, 2017)	Fiscal period ended December 31, 2017 (from July 1, 2017 to December 31, 2017)
Operating revenue		
Rental revenue—real estate	9,260,917	11,403,236
Gain on sale of real estate properties	-	1,244,033
Total operating revenue	9,260,917	12,647,270
Operating expenses		
Property related expenses	3,518,684	3,962,183
Impairment loss	-	15,677
Asset management fees	250,000	250,000
Directors' compensation	4,800	4,800
Asset custody fees	13,594	15,230
Administrative service fees	29,983	37,347
Provision of allowance for doubtful accounts	33	89
Other	99,360	138,288
Total operating expenses	3,916,456	4,423,618
Operating income	5,344,461	8,223,652
Non-operating income		
Interest income	70	54
Interest on tax refund	150	234
Other	1,077	507
Total non-operating income	1,297	796
Non-operating expenses		
Interest expenses	377,451	445,855
Loan-related costs	223,228	304,073
Investment unit issuance costs	42,401	170,817
Total non-operating expenses	643,080	920,746
Ordinary income	4,702,678	7,303,702
Income before income taxes	4,702,678	7,303,702
Income taxes	605	605
Total income taxes	605	605
Net income	4,702,073	7,303,097
Retained earnings (deficit) brought forward	6,414	(90,516)
Unappropriated retained earnings	4,708,487	7,212,580

## (3) Statement of Changes in Net Assets

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

(Unit: JPY thousand)

	Unitholders' equity					
	Unitholders' capital	Surplus				
		Capital surplus				
		Capital surplus	Deduction of capital surplus			Capital surplus (net)
Allowance for temporary differences adjustment	Other deduction of capital surplus		Total deduction of capital surplus			
Balance at the beginning of the period	120,367,271	6,264,432	(224,225)	(763,290)	(987,516)	5,276,915
Changes during the period						
Issuance of new investment units	8,393,450					
Reversal of allowance for temporary differences adjustment	224,225		224,225	(224,225)	—	—
Distributions from surplus						
Net income						
Changes other than unitholders' equity (net)						
Total changes during the period	8,617,675	—	224,225	(224,225)	—	—
Balance at the end of the period	128,984,946	6,264,432	—	(987,516)	(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	5,659,831	10,936,747	131,304,019	151,259	151,259	131,455,278
Changes during the period						
Issuance of new investment units			8,393,450			8,393,450
Reversal of allowance for temporary differences adjustment	(224,225)	(224,225)	—			—
Distributions from surplus	(5,429,192)	(5,429,192)	(5,429,192)			(5,429,192)
Net income	4,702,073	4,702,073	4,702,073			4,702,073
Changes other than unitholders' equity (net)				(59,016)	(59,016)	(59,016)
Total changes during the period	(951,344)	(951,344)	7,666,331	(59,016)	(59,016)	7,607,315
Balance at the end of the period	4,708,487	9,985,403	138,970,350	92,243	92,243	139,062,593

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

(Unit: JPY thousand)

	Unitholders' equity					
	Unitholders' capital	Surplus				
		Capital surplus				Capital surplus (net)
		Capital surplus	Deduction of capital surplus			
	Allowance for temporary differences adjustment		Other deduction of capital surplus	Total deduction of capital surplus		
Balance at the beginning of the period	128,984,946	6,264,432	—	(987,516)	(987,516)	5,276,915
Changes during the period						
Issuance of new investment units	39,813,508					
Distributions from surplus						
Reversal of allowance for temporary differences adjustment			(46,329)		(46,329)	(46,329)
Other excess profit distribution				(34,747)	(34,747)	(34,747)
Net income						
Changes other than unitholders' equity (net)						
Total changes during the period	39,813,508	—	(46,329)	(34,747)	(81,077)	(81,077)
Balance at the end of the period	168,798,455	6,264,432	(46,329)	(1,022,263)	(1,068,593)	5,195,838

	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	4,708,487	9,985,403	138,970,350	92,243	92,243	139,062,593
Changes during the period						
Issuance of new investment units			39,813,508			39,813,508
Distributions from surplus	(4,799,004)	(4,799,004)	(4,799,004)			(4,799,004)
Reversal of allowance for temporary differences adjustment		(46,329)	(46,329)			(46,329)
Other excess profit distribution		(34,747)	(34,747)			(34,747)
Net income	7,303,097	7,303,097	7,303,097			7,303,097
Changes other than unitholders' equity (net)				21,348	21,348	21,348
Total changes during the period	2,504,093	2,423,015	42,236,524	21,348	21,348	42,257,873
Balance at the end of the period	7,212,580	12,408,419	181,206,874	113,592	113,592	181,320,466

## (4) Statement of Cash Distribution

(Unit: JPY)

	Fiscal period ended June 30, 2017 (from January 1, 2017 to June 30, 2017)	Fiscal period ended December 31, 2017 (from July 1, 2017 to December 31, 2017)
I Unappropriated retained earnings	4,708,487,837	7,212,580,928
II Excess profit distribution		
Allowance for temporary differences adjustment	46,329,888	-
Other deduction of capital surplus	34,747,416	172,554,516
III Distributions	4,880,081,536	7,496,535,084
(Distribution per unit)	( 1,264)	( 1,564)
Of which, distributions of earnings	4,799,004,232	7,323,980,568
(Distributions of earnings per unit)	(1,243)	(1,528)
Of which, allowance for temporary differences adjustment	46,329,888	-
(Excess profit distribution per unit (Allowance for temporary differences adjustment))	(12)	-
Of which, other excess profit distribution	34,747,416	172,554,516
(Excess profit distribution per unit (Other excess profit distribution))	(9)	( 36)
IV Retained earnings (deficit) carried forward	( 90,516,395)	( 111,399,640)

<p>Calculation method of distribution amount</p>	<p>Above, the distribution per unit for the Reporting Period is JPY 1,264.</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, 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 1,243.</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 (the “Excess Profit Distribution”). For the Reporting Period, INV decided to make Excess Profit Distribution of JPY 46 million in order to cope with the discrepancy between tax and accounting treatment, making Excess Profit Distribution from the allowance for temporary differences adjustment of JPY 12 per unit. INV decided to also make Excess Profit Distribution of JPY 34 million as refund of investment in order to stabilize distributions, making other Excess Profit Distribution of JPY 9 per unit.</p> <p>Under the Reporting Period, deferred gain on hedge of the interest rate swap of JPY 92 million has arisen. Deferred gain on hedge of the interest rate swap is included in profit as defined in Article 136, Paragraph 1 of the Investment Trust and Investment Corporation Act, and INV has decided to distribute almost all of the profit as defined in Article 136, Paragraph 1 of the Investment Trust and Investment Corporation Act. As a result, retained deficit carried forward of JPY 90 million is recorded.</p>	<p>As shown above, the distribution per unit for the Reporting Period is JPY 1,564.</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, 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 1,528.</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 (the “Excess Profit Distribution”). For the Reporting Period, INV decided to also make Excess Profit Distribution of JPY 172 million as refund of investment in order to stabilize distributions, making other Excess Profit Distribution of JPY 36 per unit.</p> <p>Under the Reporting Period, deferred gain on hedge of the interest rate swap of JPY 113 million has arisen. Deferred gain on hedge of the interest rate swap is included in profit as defined in Article 136, Paragraph 1 of the Investment Trust and Investment Corporation Act, and INV has decided to distribute almost all of the profit as defined in Article 136, Paragraph 1 of the Investment Trust and Investment Corporation Act. As a result, retained deficit carried forward of JPY 111 million is recorded.</p>
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## (5) Statement of Cash Flows

(Unit: JPY thousand)

	Fiscal period ended June 30, 2017 (from January 1, 2017 to June 30, 2017)	Fiscal period ended December 31, 2017 (from July 1, 2017 to December 31, 2017)
Cash flows from operating activities		
Income before income taxes	4,702,678	7,303,702
Depreciation and amortization	2,281,374	2,567,215
Impairment loss	-	15,677
Investment unit issuance costs	42,401	170,817
Loan-related costs	223,228	304,073
Interest income	(70)	(54)
Interest expenses	377,451	445,855
Increase (decrease) in allowance for doubtful accounts	(1,301)	55
Decrease (increase) in rental receivable	(21,759)	(564,535)
Decrease (increase) in consumption taxes receivable	(20,823)	(640,464)
Increase (decrease) in accounts payable	81,748	(7,867)
Increase (decrease) in consumption taxes payable	(460,521)	47,721
Increase (decrease) in accounts payable-other	25,473	(67,922)
Increase (decrease) in accrued expenses	444	98,065
Increase (decrease) in advances received	18,602	60,077
Increase (decrease) in deposits received	(21,461)	(7,567)
Decrease from sales of property, plant and equipment	-	802,750
Decrease from sales of property, plant and equipment in trust	-	3,590,653
Others, net	(17,577)	(1,274)
Subtotal	7,209,888	14,116,980
Interest income received	70	54
Interest expenses paid	(379,198)	(439,861)
Income taxes paid	(605)	(605)
Net cash provided by operating activities	6,830,155	13,676,568
Cash flows from investing activities		
Purchases of property and equipment	(2,395)	(797)
Purchases of property and equipment in trust	(26,684,589)	(42,111,738)
Purchases of leasehold rights in trust	(8,187,950)	-
Purchase of investment securities	-	(17,854,460)
Repayments of tenant leasehold and security deposits	-	(28,663)
Repayments of tenant leasehold and security deposits in trust	(79,334)	(139,629)
Proceeds from tenant leasehold and security deposits in trust	290,004	115,173
Payments of tenant leasehold and security deposits	(1,037,651)	-
Other, net	(2,211)	(14,807)
Net cash used in investing activities	(35,704,126)	(60,034,922)
Cash flows from financing activities		
Increase in short-term loans payable	-	3,068,000
Proceeds from long-term loans payable	21,571,000	19,925,000
Borrowing related expenses	(257,922)	(325,727)
Payment of distributions of earnings	(5,406,728)	(4,776,561)
Payment of distribution in excess of retained earnings from allowance for temporary differences adjustment	-	(46,329)
Payment of other distributions in excess of retained earnings	-	(34,747)
Proceeds from issuance of investment units	8,351,048	39,644,352
Net cash provided by (used in) financing activities	24,257,397	57,453,986
Net increase (decrease) in cash and cash equivalents	(4,616,573)	11,095,633
Cash and cash equivalents at beginning of period	14,214,734	9,598,161
Cash and cash equivalents at end of period	9,598,161	20,693,794

(6) Notes to Concerning Going Concerns Assumption  
Not applicable

(7) Notes to Concerning Significant Accounting Policies

1. Evaluation standards and evaluation method of assets

Other securities

Those with no fair value

Cost method through moving-average method is used.

2. 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	18 years
Tools, furniture and fixtures	4-8 years
Buildings in trust	5-67 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.

3. 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.

4. 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 instead of being charged as expense. The amount equivalent to property taxes that was included as part of the acquisition of real estate during the fiscal period ended December 31, 2017 is JPY 24,256 thousand.

5. 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.

6. 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.

7. 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

(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.

(Additional Information)

(Notes Related to Provision and Reversal of Allowance for Temporary Differences Adjustment)

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

The following provision was made in the statement of cash distribution:

1. Reasons, related assets and amounts

(Unit: JPY thousand)

Related assets, etc.	Reason	Allowance for temporary differences adjustment
Leasehold rights in trust	Depreciation of leasehold rights	46,329

2. Method of reversal

Related assets, etc.	Method of reversal
Leasehold rights in trust	The corresponding amount is scheduled to be reversed upon sale, etc.

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

Not applicable

(8) Notes to the Financial Statements

(Notes to the Balance Sheet)

\*1. 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, 2017 (as of June 30, 2017)	Fiscal period ended December 31, 2017 (as of December 31, 2017)
50,000	50,000

\*2. Allowance for temporary differences adjustment

Fiscal period ended Fiscal period ended June 30, 2017 (as of June 30, 2017)

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
Deferred gains or losses on hedges	Changes in fair value of derivatives	(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.

Fiscal period ended December 31, 2017 (as of December 31, 2017)

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
Leasehold rights in trust	Depreciation of leasehold rights	(46,329)	-	(46,329)	-	(46,329)
Total		(46,329)	-	(46,329)	-	(46,329)

2. Method of reversal

(1) Leasehold rights in trust

The corresponding amount is scheduled to be reversed upon sale, etc. of the relevant property.

(Notes to Statement of Income and Retained Earnings)

\*1. Real estate rental revenues and expenses

(Unit: JPY thousand)

	Fiscal period ended June 30, 2017 (from January 1, 2017 to June 30, 2017)	Fiscal period ended December 31, 2017 (from July 1, 2017 to December 31, 2017)
<b>A. Real estate rental revenues</b>		
Rental revenue-real estate		
Rent/common area charges (Note)	8,927,781	11,060,128
Other revenues	333,135	343,107
<b>Total</b>	<b>9,260,917</b>	<b>11,403,236</b>
<b>B. Real estate rental expenses</b>		
Property related expenses		
Maintenance costs	646,226	707,458
Taxes and public dues	390,797	470,600
Non-life insurance expenses	10,195	11,499
Depreciation expenses	2,281,374	2,567,215
Other expenses	190,090	205,408
<b>Total</b>	<b>3,518,684</b>	<b>3,962,183</b>
<b>C. Real estate rental income (A-B)</b>	<b>5,742,232</b>	<b>7,441,052</b>
(Note) Of which, revenue from variable hotel rents	2,932,843	3,741,186

\*2. Gain on sales of properties

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

Not applicable

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

(Unit: JPY thousand)

	Kindai Kagaku Sha Building)	Kanda-Sudacho 4th	Shinjuku Island	Casa Eremitaggio
Proceeds from sales of properties	1,364,791	130,217	705,102	1,312,035
Cost of sales of properties	1,197,764	100,818	701,931	948,287
Other expenses on sales of properties	51,333	3,658	10,228	28,743
<b>Gain on sales of properties</b>	<b>115,693</b>	<b>25,740</b>	<b>(7,057)</b>	<b>335,004</b>
	Lexel Mansion Ueno Matsugaya	Sun Terrace Minami Ikebukuro		
Proceeds from sales of properties	1,329,240	934,980		
Cost of sales of properties	853,265	591,335		
Other expenses on sales of properties	26,547	18,419		
<b>Gain on sales of properties</b>	<b>449,428</b>	<b>325,224</b>		

\*3. Impairment loss

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

Not applicable

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

Name of property: Ohki Aoba Building

Use	Location	Type	Impairment loss
Retail facility	Sendai-shi, Miyagi	Land in trust	JPY 15,677 thousand

Upon calculating impairment loss, book value of the asset sold was reduced to recoverable value and the amount reduced was posted in operating expenses as impairment loss for the land in trust. The net sales price which is obtained by subtracting expected sales expenses from actual selling price is deemed as recoverable value.

(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, 2017 (from January 1, 2017 to June 30, 2017)	Fiscal period ended December 31, 2017 (from July 1, 2017 to December 31, 2017)
Number of issuable investment units	10,000,000 units	10,000,000 units
Number of investment units issued and outstanding	3,860,824 units	4,793,181 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 thousand)	
	Fiscal period ended June 30, 2017 (from January 1, 2017 to June 30, 2017)	Fiscal period ended December 31, 2017 (from July 1, 2017 to December 31, 2017)
Cash and bank deposits	3,532,405	14,367,140
Cash and bank deposits in trust	6,065,755	6,326,653
Cash and cash equivalents	9,598,161	20,693,794

(Notes Related to Lease Transactions)

Operating lease transactions (as lessee)  
Unexpired lease fees

(Unit: JPY thousand)

	Fiscal period ended June 30, 2017 (as of June 30, 2017)	Fiscal period ended December 31, 2017 (as of December 31, 2017)
Due within one year	312,959	312,959
Due after one year	10,403,515	10,247,035
Total	10,716,474	10,559,994

Operating lease transactions (as lessor)  
Unexpired lease fees

(Unit: JPY thousand)

	Fiscal period ended June 30, 2017 (as of June 30, 2017)	Fiscal period ended December 31, 2017 (as of December 31, 2017)
Due within one year	6,579,788	7,970,088
Due after one year	47,397,583	56,088,357
Total	53,977,372	64,058,446

(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 loans. Liquidity risks relating to loans 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, 2017 (as of June 30, 2017)

Book value, fair value and the difference between values as of June 30, 2017 are as follows.

(Unit: JPY thousand)

	Book Value	Fair Value	Difference
(1) Cash and bank deposits	3,532,405	3,532,405	-
(2) Cash and bank deposits in trust	6,065,755	6,065,755	-
Total assets	9,598,161	9,598,161	-
(3) Short-term loans payable	-	-	-
(4) Current portion of long-term loans payable	-	-	-
(5) Long-term loans payable	(163,990,000)	(163,990,000)	-
Total liabilities	(163,990,000)	(163,990,000)	-
(6) Derivatives	92,243	92,243	-

Fiscal period ended December 31, 2017 (as of December 31, 2017)

Book value, fair value and the difference between values as of December 31, 2017 are as follows.

(Unit: JPY thousand)

	Book Value	Fair Value	Difference
(1) Cash and bank deposits	14,367,140	14,367,140	-
(2) Cash and bank deposits in trust	6,326,653	6,326,653	-
Total assets	20,693,794	20,693,794	-
(3) Short-term loans payable	(3,068,000)	(3,068,000)	-
(4) Current portion of long-term loans payable	(28,979,000)	(28,979,000)	-
(5) Long-term loans payable	(154,936,000)	(154,936,000)	-
Total liabilities	(186,983,000)	(186,983,000)	-
(6) Derivatives	113,592	113,592	-

(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 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.

(4) Current portion of long-term loans payable      (5) Long-term loans payable

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, 2017 (as of June 30, 2017)	Fiscal period ended December 31, 2017 (as of December 31, 2017)
Tenant leasehold and security deposits	28,663	-
Tenant leasehold and security deposits in trust	2,240,373	2,215,299
Investment securities	-	17,854,460

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.

Investment securities (preferred equity interest) has no observable market price, and it is impracticable to assess its fair value. Thus, its 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, 2017 (as of June 30, 2017)

(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	3,532,405	-	-	-	-	-
Cash and bank deposits in trust	6,065,755	-	-	-	-	-
Total	9,598,161	-	-	-	-	-

Fiscal period ended December 31, 2017 (as of December 31, 2017)

(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	14,367,140	-	-	-	-	-
Cash and bank deposits in trust	6,326,653	-	-	-	-	-
Total	20,693,794	-	-	-	-	-

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

Fiscal period ended June 30, 2017 (as of June 30, 2017)

(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
Long-term loans payable	-	46,663,000	48,044,000	55,512,000	13,771,000	-
Total	-	46,663,000	48,044,000	55,512,000	13,771,000	-

Fiscal period ended December 31, 2017 (as of December 31, 2017)

(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 payable	3,068,000	-	-	-	-	-
Current portion of long-term loans payable	28,979,000	-	-	-	-	-
Long-term loans payable	-	54,745,000	50,130,000	32,821,000	10,115,000	7,125,000
Total	32,047,000	54,745,000	50,130,000	32,821,000	10,115,000	7,125,000

(Notes Related to Investment Securities)

Fiscal period ended June 30, 2017 (as of June 30, 2017)

Not applicable

Fiscal period ended December 31, 2017 (as of December 31, 2017)

Other securities

Preferred equity interest (JPY 17,854,460 thousand in the balance sheet) has no observable market price, and it is impracticable to assess its fair value. Thus, its fair value is not disclosed.

(Notes Related to Derivative Transactions)

1. Derivative transactions to which hedge accounting is not applied

Fiscal period ended June 30, 2017 (as of June 30, 2017)

Not applicable

Fiscal period ended December 31, 2017 (as of December 31, 2017)

Not applicable

2. Derivative transactions to which hedge accounting is applied

Fiscal period ended June 30, 2017 (as of June 30, 2017)

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 payable	99,119,000	99,119,000	92,243

(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, 2017 (as of December 31, 2017)

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 payable	99,119,000	70,140,000	113,592

(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, 2017 (from January 1, 2017 to June 30, 2017)	Fiscal period ended December 31, 2017 (from July 1, 2017 to December 31, 2017)
Balance at the beginning of the period	31,260	31,468
Increase due to the acquisition of properties	-	-
Accretion expense	208	212
Balance at the end of the period	31,468	31,680

(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, 2017 (from January 1, 2017 to June 30, 2017)

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.	3,852,826	Real Estate Investment

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

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.	4,794,080	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, 2017 (from January 1, 2017 to June 30, 2017)	Fiscal period ended December 31, 2017 (from July 1, 2017 to December 31, 2017)
Residences	Book value	Balance at the beginning of the period	67,835,839	93,113,195
		Change during the period	25,277,356	(3,163,531)
		Balance at the end of the period	93,113,195	89,949,664
	Fair value at the end of the period		104,752,000	102,353,000
Offices	Book value	Balance at the beginning of the period	8,440,981	8,424,734
		Change during the period	(16,247)	(1,949,803)
		Balance at the end of the period	8,424,734	6,474,931
	Fair value at the end of the period		7,636,000	6,130,000
Commercial facilities	Book value	Balance at the beginning of the period	5,049,226	5,001,269
		Change during the period	(47,956)	(43,977)
		Balance at the end of the period	5,001,269	4,957,292
	Fair value at the end of the period		5,980,000	6,100,000
Parking lots	Book value	Balance at the beginning of the period	100,819	100,818
		Change during the period	(1)	(100,818)
		Balance at the end of the period	100,818	-
	Fair value at the end of the period		113,000	-
Hotels	Book value	Balance at the beginning of the period	178,511,427	185,897,957
		Change during the period	7,386,530	40,430,059
		Balance at the end of the period	185,897,957	226,328,017
	Fair value at the end of the period		245,021,000	285,424,000
Total	Book value	Balance at the beginning of the period	259,938,294	292,537,976
		Change during the period	32,599,681	35,171,929
		Balance at the end of the period	292,537,976	327,709,905
	Fair value at the end of the period		363,502,000	400,007,000

- (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, 2017 were acquisition of residential properties/hotels and capital expenditures related to construction work, and the major factor for the decrease was depreciation. The major factors for the increase for the fiscal period ended December 31, 2017 were acquisition of hotels and capital expenditures related to construction work, and the major factors of the decrease were sale of residential properties, office properties and parking, and depreciation and impairment loss.
- (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, 2017	Fiscal period ended December 31, 2017
<hr/>		
(Deferred tax assets - current assets)		
Enterprise tax payable	996	1,331
Impairment loss	-	2,367
Allowance for doubtful accounts	10	28
Subtotal	1,006	3,726
Valuation allowance	1,006	3,726
Total	-	-
(Deferred tax assets, net)	-	-
<hr/>		
(Deferred tax assets - non-current assets)		
Buildings and other (merger)	689,159	730,990
Land (merger)	2,092,087	1,918,655
Loss carried forward	7,200,289	7,200,289
Asset retirement obligations	9,987	10,055
Depreciation of fixed-term leasehold rights	42,149	79,644
Subtotal	10,033,674	9,939,635
(Deferred tax liabilities – non-current liabilities)		
Removal expenses included in asset retirement obligations	9,797	9,797
Deferred gains or losses on hedges	29,278	36,054
Subtotal	39,075	45,851
Valuation allowance	9,994,598	9,893,783
Total	-	-
(Deferred tax assets, net)	-	-

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

(Unit: %)

	Fiscal period ended June 30, 2017	Fiscal period ended December 31, 2017
Statutory tax rate	31.74	31.74
Deductible cash distributions	(32.06)	(30.49)
Changes in valuation allowance	0.32	(1.25)
Others	0.02	0.01
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, 2017 (from January 1, 2017 to June 30, 2017)

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	Sakura Tokutei Mokuteki Kaisha (Note 3)	Minato-ku, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	21,879,000	-	-
	Momo Tokutei Mokuteki Kaisha (Note 3)	Minato-ku, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	2,683,000	-	-
	Septentrio 2 Tokutei Mokuteki Kaisha (Note 3)	Minato-ku, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	8,000,000	-	-
	Naqua Hotel & Resorts Management Co., Ltd. (Note 3)	Minato-ku, Tokyo	10	Hotel business	-	-	Lessee and operator of hotels	Rental revenues	549,169	Accounts receivable	198,247
	MyStays Hotel Management Co., Ltd. (Note 3)	Minato-ku, Tokyo	100	Hotel business	-	-	Lessee and operator of hotels	Rental revenues	3,852,826	Accounts receivable	1,043,190

(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) Sakura Tokutei Mokuteki Kaisha, Momo Tokutei Mokuteki Kaisha, Septentrio 2 Tokutei Mokuteki Kaisha, Naqua Hotel &amp; 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 Sakura Tokutei Mokuteki Kaisha, Momo Tokutei Mokuteki Kaisha, Septentrio 2 Tokutei Mokuteki Kaisha, Naqua Hotel &amp; 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: 15.8%) 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)
A105	Royal Parks Tower Minami-Senju	Sakura Tokutei Mokuteki Kaisha	21,879,000
A106	Royal Parks Seasir Minami-Senju	Momo Tokutei Mokuteki Kaisha	2,683,000
D49	Hotel MyStays Premier Hamamatsucho	Septentrio 2 Tokutei Mokuteki Kaisha	8,000,000
Total			32,562,000

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

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	HL Investments Tokutei Mokuteki Kaisha (Note 3)	Minato-ku, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	13,068,000	-	-
	Septentrio3 Tokutei Mokuteki Kaisha (Note 3)	Minato-ku, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	9,781,000	-	-
	MonzaTokutei Mokuteki Kaisha (Note 3)	Minato-ku, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	8,870,000	-	-
	Suisei Tokutei Mokuteki Kaisha (Note 3)	Minato-ku, Tokyo	0.1	Investment management business	-	-	Seller of trust beneficiary interests in real estate	Purchase of trust beneficiary interests in real estate (Note 2) (Note 5)	7,880,000	-	-
	Naqua Hotel & Resorts Management Co., Ltd. (Note 3)	Minato-ku, Tokyo	10	Hotel business	-	-	Lessee and operator of hotels	Rental revenues	1,103,226	Accounts receivable	130,953
	MyStays Hotel Management Co., Ltd. (Note 3)	Minato-ku, Tokyo	100	Hotel business	-	-	Lessee and operator of hotels	Rental revenues	4,794,080	Accounts receivable	1,551,920

(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) HL Investments Tokutei Mokuteki Kaisha, Septentrio3 Tokutei Mokuteki Kaisha, Monza Tokutei Mokuteki Kaisha, Suisei Tokutei Mokuteki Kaisha and Naqua Hotel & Resorts Management Co., Ltd. and MyStays Hotel Management Co., Ltd. have no capital relationship to be disclosed with the Asset Manager. However, these Tokutei Mokuteki Kaisha or 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 HL Investments Tokutei Mokuteki Kaisha, Septentrio3 Tokutei Mokuteki Kaisha, Monza Tokutei Mokuteki Kaisha, Suisei Tokutei Mokuteki Kaisha and 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: 12.7%) 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)
D50	Hotel MyStays Shin Osaka Conference Center	HL Investments Tokutei Mokuteki Kaisha	13,068,000
D51	Hotel MyStays Premier Omori	Septentrio3 Tokutei Mokuteki Kaisha	9,781,000
D52	Beppu Kamenoi Hotel	Monza Tokutei Mokuteki Kaisha	8,870,000
D53	Hotel MyStays Sapporo Station	Suisei Tokutei Mokuteki Kaisha	7,880,000
Total			39,599,000

2. Transactions with Affiliates

None for both the fiscal period ended June 30, 2017 and the fiscal period ended December 31, 2017.

3. Transactions with Companies under Common Control

None for both the fiscal period ended June 30, 2017 and the fiscal period ended December 31, 2017.

4. Transactions with Directors and Major Unitholders

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

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)	253,256	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, 2017 (as of December 31, 2017)

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)	276,823	Accrued expenses	159,138
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)	1,100	Accrued expenses	864

(Note 1) Naoki Fukuda served as a representative of the third party (the Asset Manager), and the fee is as set forth in the Articles of Incorporation of 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, 2017 (from January 1, 2017 to June 30, 2017)	Fiscal period ended December 31, 2017 (from July 1, 2017 to December 31, 2017)
Net assets per unit	JPY 36,019	JPY 37,829
Net income per unit	JPY 1,241	JPY 1,712

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, 2017 (from January 1, 2017 to June 30, 2017)	Fiscal period ended December 31, 2017 (from July 1, 2017 to December 31, 2017)
Net income (JPY thousand)	4,702,073	7,303,097
Amounts not attributable to common unitholders (JPY thousand)	-	-
Net income attributable to common units (JPY thousand)	4,702,073	7,303,097
Average number of investment units during the period (units)	3,788,254	4,266,437

## (Notes Related to Significant Subsequent Events)

## 1. Sale of Assets

INV completed sale of the following five properties on January 31, 2018.

Property Number: A31 Property Name: Harmonie Ochanomizu

Sale Date	January 31, 2018
Location	Bunkyo-ku, Tokyo
Book Value (Note 1)	JPY 1,346 million
Sales Price (Note 2)	JPY 1,603 million
Expected Gain on Sales (Note 3)	JPY 220 million
Transferee	Not disclosed (Note 4)
Legal Form of Asset	Trust beneficiary interest

Property Number: A36 Property Name: Growth Maison Ikebukuro

Sale Date	January 31, 2018
Location	Toshima-ku, Tokyo
Book Value (Note 1)	JPY 743 million
Sales Price (Note 2)	JPY 1,057 million
Expected Gain on Sales (Note 3)	JPY 288 million
Transferee	Not disclosed (Note 4)
Legal Form of Asset	Trust beneficiary interest

Property Number: A42      Property Name: Capital Heights Kagurazaka

Sale Date	January 31, 2018
Location	Shinjuku-ku, Tokyo
Book Value (Note 1)	JPY 623 million
Sales Price (Note 2)	JPY 732 million
Expected Gain on Sales (Note 3)	JPY 87 million
Transferee	Not disclosed (Note 4)
Legal Form of Asset	Trust beneficiary interest

Property Number: B15      Property Name: Cross Square NAKANO

Sale Date	January 31, 2018
Location	Nakano-ku, Tokyo
Book Value (Note 1)	JPY 1,125 million
Sales Price (Note 2)	JPY 1,350 million
Expected Gain on Sales (Note 3)	JPY 199 million
Transferee	Taisei-Yuraku Real Estate Co., Ltd
Legal Form of Asset	Trust beneficiary interest

Property Number: B16      Property Name: Ohki Aoba Building

Sale Date	January 31, 2018
Location	Sendai-shi, Miyagi
Book Value (Note 1)	JPY 709 million
Sales Price (Note 2)	JPY 721 million
Expected Gain on Sales (Note 3)	-
Transferee	Kubota Honten
Legal Form of Asset	Trust beneficiary interest

INV decided on February 13, 2018 to sell the following property, and plans to sell it on March 9, 2018.

Property Number: B14      Property Name: Lexington Plaza Nishigotanda

Anticipated Sale Date	March 9, 2018
Location	Shinagawa-ku, Tokyo
Book Value (Note 1)	JPY 4,639 million
Sales Price (Note 2)	JPY 5,160 million
Expected Gain on Sales (Note 3)	JPY 431 million
Transferee	Not disclosed (Note 4)
Legal Form of Asset	Trust beneficiary interest

(Note 1) Book value is the book value as of December 31, 2017.

(Note 2) Sales price does not include sales-related expenses, adjustments for property taxes or city planning taxes, or national or local consumption taxes.

(Note 3) The amount of difference between sales price and book value, and after deducting expected sales-related expenses.

(Note 4) The name of the transferee is not disclosed, as the transferee's consent has not been obtained for disclosure.

(Note 5) For details of the sales assets, please refer to "5. Reference Information; (2) Real Estate Properties, Etc." later in this document.

## 2. Acquisition of Assets

On February 5, 2018, INV decided to acquire the following four hotel properties and concluded a purchase and sale agreement on the same day. INV completed the acquisition on February 7, 2018, using the proceeds from the sales outlined in "1. Sale of Assets" to fund part of the acquisition.

Property Number: D54      Property Name: Hotel MyStays Yokohama Kannai

Acquisition Date	February 7, 2018
Acquisition Price (Note)	JPY 5,326 million
Location	Yokohama-shi, Kanagawa
Completion Date	August 2016
Legal Form of Asset	Trust beneficiary interest
Seller	Ginga Tokutei Mokuteki Kaisha
Total Floor Area	4,567.24m <sup>2</sup>
Leasable Area	4,567.24m <sup>2</sup>

Property Number: D55      Property Name: Art Hotel Joetsu

Acquisition Date	February 7, 2018
Acquisition Price (Note)	JPY 2,772 million
Location	Joetsu-shi, Niigata
Completion Date	November 1993
Legal Form of Asset	Trust beneficiary interest
Seller	HL Investments Tokutei Mokuteki Kaisha
Total Floor Area	7,551.78m <sup>2</sup>
Leasable Area	7,551.78m <sup>2</sup>

Property Number: D56      Property Name: Art Hotel Hirosaki City

Acquisition Date	February 7, 2018
Acquisition Price (Note)	JPY 2,723 million
Location	Hirosaki-shi, Aomori
Completion Date	August 1989
Legal Form of Asset	Trust beneficiary interest
Seller	Monza Tokutei Mokuteki Kaisha
Total Floor Area	18,889.26m <sup>2</sup>
Leasable Area	18,889.26m <sup>2</sup>

Property Number: D57      Property Name: Hotel MyStays Oita

Acquisition Date	February 7, 2018
Acquisition Price (Note)	JPY 1,604 million
Location	Oita-shi, Oita
Completion Date	July 2007
Legal Form of Asset	Trust beneficiary interest
Seller	Suisei Tokutei Mokuteki Kaisha
Total Floor Area	3,766.72m <sup>2</sup>
Leasable Area	3,766.72m <sup>2</sup>

(Note) Acquisition price is based on the purchase price indicated in the relevant purchase agreement and does not include acquisition-related expenses, adjustments for property taxes or city planning taxes, or national or local consumption taxes.

## (9) 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)
February 22, 2017	Reversal of allowance for temporary differences adjustment	-	3,675,824	224,225,264	120,591,496,700	(Note 16)
March 13, 2017	Public offering	185,000	3,860,824	8,393,450,000	128,984,946,700	(Note 17)
October 12, 2017	Public offering	887,959	4,748,783	37,917,625,218	166,902,571,918	(Note 18)
November 1, 2017	Third-party allotment	44,398	4,793,181	1,895,883,396	168,798,455,314	(Note 19)

- (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.
- (Note 16) Reversal of allowance for temporary differences adjustment was decided at the meeting of the Board of Directors of INV held on February 22, 2017 and the amount was incorporated into unitholders' capital.
- (Note 17) New investment units were issued in a public offering at a price of JPY 46,897 per unit (JPY 45,370 after deducting the underwriters' discount) to raise a part of the funds for the acquisition of new properties.
- (Note 18) New investment units were issued in a public offering at a price of JPY 44,118 per unit (JPY 42,702 after deducting the underwriters' discount) to raise a part of the funds for the acquisition of new properties.
- (Note 19) New investment units were issued in a third party allotment at a price of JPY 42,702 per unit for the purpose of allocation to cash reserves to be used as part of the funds for future acquisition of specified assets.

#### 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, 2017 (as of June 30, 2017)		Fiscal period ended December 31, 2017 (as of December 31, 2017)	
			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	703	0.2	-	-
		Major regional cities	-	-	-	-
		Subtotal	703	0.2	-	-
	Parking lots, etc.	Greater Tokyo area	100	0.0	-	-
		Major regional cities	-	-	-	-
		Subtotal	100	0.0	-	-
	Hotels	Greater Tokyo area	2	0.0	2	0.0
		Major regional cities	-	-	-	-
		Subtotal	2	0.0	2	0.0
Total real estate			806	0.3	2	0.0
Real estate in trust	Residences	Greater Tokyo area	77,073	25.2	74,091	19.9
		Major regional cities	16,039	5.2	15,858	4.3
		Subtotal	93,113	30.4	89,949	24.2
	Offices/Commercial Facilities	Greater Tokyo area	6,990	2.3	5,765	1.6
		Major regional cities	5,732	1.9	5,666	1.5
		Subtotal	12,722	4.2	11,432	3.1
	Parking lots, etc.	Greater Tokyo area	-	-	-	-
		Major regional cities	-	-	-	-
		Subtotal	-	-	-	-
	Hotels	Greater Tokyo area	109,907	35.9	121,225	32.6
		Major regional cities	75,988	24.8	105,099	28.3
		Subtotal	185,895	60.7	226,325	60.9
Total real estate in trust			291,731	95.2	327,706	88.2
Preferred equity interest (Note 3)			-	-	17,854	4.8
Deposits and other assets			13,883	4.5	26,193	7.0
Total assets (Note 4)			306,421 (292,537)	100.0 (95.5)	371,758 (327,709)	100.0 (88.2)

(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) Preferred equity interest issued by Kingdom Special Purpose Company, with the Sheraton Grande Tokyo Bay Hotel as an underlying asset (asset in trust of trust beneficiary interest acquired by Kingdom Special Purpose Company, which is the real estate that serves as the main source of revenue for Kingdom Special Purpose Company).

(Note 4) The figures indicated in parenthesis under “Total assets” show the amounts related to owned real estate (excluding the amount of preferred equity interest owned).

	Fiscal period ended June 30, 2017 (as of June 30, 2017)		Fiscal period ended December 31, 2017 (as of December 31, 2017)	
	Amount (JPY million)	Percentage of total assets (%)	Amount (JPY million)	Percentage of total assets (%)
Total Liabilities	167,358	54.6	190,437	51.2
Total Net Assets	139,062	45.4	181,320	48.8
Total Liabilities and Net Assets	306,421	100.0	371,758	100.0

## (2) Real Estate Properties, Etc.

The following summarizes the real estate and real estate held in trust as well as preferred equity interest that INV held as of December 31, 2017.

## 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 at the end of the period (JPY million) (Note 5)	Appraiser (Note 6)
A26	Nisshin Palacestage Daitabashi	1-31-2 Izumi, Sugunami-ku, Tokyo	Trust beneficiary interests (Note 7)	1,251	1,115	0.4	1,180	A
A27	Nisshin Palacestage Higashi-Nagasaki	5-4-1 Nagasaki, Toshima-ku, Tokyo	Trust beneficiary interests (Note 7)	1,229	1,083	0.3	1,300	A
A28	Growth Maison Gotanda	2-26-6 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interests (Note 7)	888	821	0.3	1,030	A
A29	Growth Maison Kameido	6-58-16 Kameido, Koto-ku, Tokyo	Trust beneficiary interests (Note 7)	1,070	974	0.3	1,130	A
A30	Emerald House	3-27-18 Itabashi, Itabashi-ku, Tokyo	Trust beneficiary interests (Note 7)	1,505	1,357	0.4	1,410	A
A31	Harmonie Ochanomizu	2-5-5 Yushima, Bunkyo-ku, Tokyo	Trust beneficiary interests	1,428	1,346	0.4	1,420	A
A32	Suncrest Shakujii-Koen	3-15-35 Takanodai, Nerima-ku, Tokyo	Trust beneficiary interests (Note 7)	1,088	1,081	0.3	1,090	A
A33	Growth Maison Shin-Yokohama	3-16-2 Shin-Yokohama, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests (Note 7)	1,059	956	0.3	1,180	A
A34	Belle Face Ueno-Okachimachi	1-27-5 Higashi-Ueno, Taito-ku, Tokyo	Trust beneficiary interests (Note 7)	1,023	946	0.3	1,070	A
A35	Grand Rire Kameido	3-39-12 Kameido, Koto-ku, Tokyo	Trust beneficiary interests (Note 7)	906	819	0.3	999	A
A36	Growth Maison Ikebukuro	3-31-14 Nishi-Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interests	825	743	0.2	915	A
A37	Growth Maison Yoga	1-15-15 Okamoto, Setagaya-ku, Tokyo	Trust beneficiary interests (Note 7)	795	744	0.2	730	A
A38	Route Tachikawa	3-7-6 Nishikicho, Tachikawa-shi, Tokyo	Trust beneficiary interests (Note 7)	676	639	0.2	660	A
A39	Shibuya-Honmachi Mansion	2-35-2 Honmachi, Shibuya-ku, Tokyo	Trust beneficiary interests (Note 7)	651	661	0.2	638	A
A40	City Heights Kinuta	4-13-15 Kinuta, Setagaya-ku, Tokyo	Trust beneficiary interests (Note 7)	646	655	0.2	499	A
A41	Acseeds Tower Kawaguchi-Namiki	2-5-13 Namiki, Kawaguchi-shi, Saitama	Trust beneficiary interests (Note 7)	620	536	0.2	726	A
A42	Capital Heights Kagurazaka	71-1 Enokicho, Shinjuku-ku, Tokyo	Trust beneficiary interests	604	623	0.2	587	A

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 at the end of the period (JPY million) (Note 5)	Appraiser (Note 6)
A43	College Square Machida	3-4-4 Nakamachi, Machida-shi, Tokyo	Trust beneficiary interests (Note 7)	589	558	0.2	535	A
A44	Belair Meguro	1-2-15 Meguro, Meguro-ku, Tokyo	Trust beneficiary interests (Note 7)	589	557	0.2	607	A
A45	Wacore Tsunashima I	2-7-47 Tarumachi, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests (Note 7)	572	525	0.2	515	A
A46	Foros Nakamurabashi	1-6-6 Kouyama, Nerima-ku, Tokyo	Trust beneficiary interests (Note 7)	566	518	0.2	570	A
A47	Growth Maison Kaijin	5-29-51 Kaijin, Funabashi-shi, Chiba	Trust beneficiary interests (Note 7)	557	515	0.2	476	A
A48	College Square Machiya	7-3-1 Arakawa, Arakawa-ku, Tokyo	Trust beneficiary interests (Note 7)	510	453	0.1	548	A
A51	City House Tokyo Shinbashi	6-19-1 Shinbashi, Minato-ku, Tokyo	Trust beneficiary interests	2,520	2,316	0.7	3,260	B
A52	Winbell Kagurazaka	6-15 Shin-Ogawacho, Shinjuku-ku, Tokyo	Trust beneficiary interests	3,260	3,040	0.9	4,030	C
A53	Nishiwaseda Crescent Mansion	3-18-9 Nishi-Waseda, Shinjuku-ku, Tokyo	Trust beneficiary interests	1,880	1,880	0.5	2,540	C
A54	Lexington Square Akebonobashi	3-8 Yochomachi, Shinjuku-ku, Tokyo	Trust beneficiary interests	1,450	1,322	0.4	1,860	D
A59	Towa City Coop Shinotsuka II	5-49-7 Higashi-Ikebukuro, Toshima-ku, Tokyo	Trust beneficiary interests	866	821	0.2	1,080	B
A61	Bichsel Musashiseki	1-22-7 Sekimachi-Kita, Nerima-ku, Tokyo	Trust beneficiary interests	577	554	0.2	719	C
A63	Towa City Coop Sengencho	4-338-2 Sengencho, Nishi-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	1,110	1,013	0.3	1,350	B
A64	Royal Park Omachi	2-11-10 Omachi, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiary interests	415	390	0.1	560	B
A65	Lexington Square Haginomachi	1-15-16 Haginomachi, Miyagino-ku, Sendai-shi, Miyagi	Trust beneficiary interests	330	282	0.1	446	B
A66	Visconti Kakuozan	2-44 Otanacho, Chikusa-ku, Nagoya-shi, Aichi	Trust beneficiary interests	255	230	0.1	273	D
A71	Lexington Square Daitabashi	1-33-18 Izumi, Suginami-ku, Tokyo	Trust beneficiary interests	977	852	0.3	1,200	D
A72	Lexington Square Honjo Azumabashi	4-20-6 Higashikomagata, Sumida-ku, Tokyo	Trust beneficiary interests	511	436	0.1	624	D
A73	AMS TOWER Minami 6-Jo	2-5-15 Minami 6-Jo Nishi, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interests	1,180	960	0.3	1,270	D
A75	Spacia Ebisu	3-6-22 Higashi, Shibuya-ku, Tokyo	Trust beneficiary interests	7,010	6,487	2.0	8,060	B
A76	Neo Prominence	3-21-5 Shimo, Kita-ku, Tokyo	Trust beneficiary interests	1,660	1,613	0.5	1,980	B
A77	Invoice Shin-Kobe Residence	3-3-8 Ikutacho Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interests	1,260	1,172	0.4	1,430	B

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 at the end of the period (JPY million) (Note 5)	Appraiser (Note 6)
A78	Cosmo Court Motomachi	3-12-20 Motomachidori Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interests	973	898	0.3	1,090	B
A79	Revest Honjin	2-13 Toriidori Nakamura-ku, Nagoya-shi, Aichi	Trust beneficiary interests	674	620	0.2	813	B
A80	Revest Matsubara	3-13-12 Matsubara Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interests	657	609	0.2	797	B
A82	Alba Noritake Shinmachi	3-6-8 Noritake Shinmachi, Nishi-ku, Nagoya-shi, Aichi	Trust beneficiary interests	608	560	0.2	733	B
A83	Revest Meieki Minami	2-13-33 Meieki-Minami, Nakamura-ku, Nagoya-shi, Aichi	Trust beneficiary interests	597	550	0.2	715	B
A84	Revest Heian	2-13-17 Heian, Kita-ku, Nagoya-shi, Aichi	Trust beneficiary interests	595	549	0.2	694	B
A85	Vendir Hamaotsu Ekimae	1-2-15 Hamaotsu, Otsu-shi, Shiga	Trust beneficiary interests	581	529	0.2	738	B
A86	Salvo Sala	2-6-21 Shimanouchi Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	544	504	0.2	648	B
A87	Excellente Kagurazaka	128-1 Yamabukicho Shinjuku-ku, Tokyo, and other one parcel	Trust beneficiary interests	543	513	0.2	635	B
A88	Luna Court Edobori	3-4-11 Edobori, Nishi-ku, Osaka-shi, Osaka	Trust beneficiary interests	525	487	0.1	570	B
A89	Winttage Kobe Motomachi	7-2-2 Motomachidori, Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interests	512	470	0.1	609	B
A90	Queen's Court Fukuzumi	1-3-10 Fukuzumi, Koto-ku, Tokyo	Trust beneficiary interests	456	433	0.1	604	B
A91	Corp Higashinotoin	380-1 Kawaranomachi, Higashinotoindori Nijo Kudara, Nakagyo-ku, Kyoto-shi, Kyoto, and other two parcels	Trust beneficiary interests	446	418	0.1	516	B
A92	Belair Oimachi	5-14-17 Higashi-Oi, Shinagawa-ku, Tokyo	Trust beneficiary interests	412	392	0.1	511	B
A93	Siete Minami-Tsukaguchi	3-18 Minami-Tsukaguchimachi, Amagasaki-shi, Hyogo	Trust beneficiary interests	374	351	0.1	449	B
A94	Prime Life Sannomiya Isogami Koen	4-3-23 Isogamidori, Chuo-ku, Kobe-shi, Hyogo	Trust beneficiary interests	373	348	0.1	438	B
A95	HERMITAGE NANBA WEST	4-10-3 Sakuragawa, Naniwa-ku, Osaka-shi, Osaka	Trust beneficiary interests	355	332	0.1	433	B
A96	Century Park Shinkawa 1-bankan	4-1-2 Shinkawacho, Minato-ku, Nagoya-shi, Aichi	Trust beneficiary interests	335	321	0.1	425	B
A97	West Avenue	1-5-17 Nishi, Kunitachi-shi, Tokyo	Trust beneficiary interests	331	313	0.1	313	B
A98	Little River Honmachibashi	1-34 Honmachibashi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	310	292	0.1	398	B
A99	Prime Life Mikage	2-25-11 Mikage Tsukamachi, Higashinada-ku, Kobe-shi, Hyogo	Trust beneficiary interests	297	276	0.1	337	B
A100	City Court Kitaichijo	1-6-3 Kita 1-jo Higashi, Chuo-ku, Sapporo-shi, Hokkaido	Trust beneficiary interests	1,782	1,791	0.5	1,950	B
A101	Lieto Court Mukojima	5-45-10 Mukojima, Sumida-ku, Tokyo	Trust beneficiary interests	1,683	1,705	0.5	1,730	B

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 at the end of the period (JPY million) (Note 5)	Appraiser (Note 6)
A102	Lieto Court Nishi-Ojima	2-41-14 Ojima, Koto-ku, Tokyo	Trust beneficiary interests	1,634	1,649	0.5	1,720	B
A103	Royal Parks Momozaka	5-38 Fudegasakicho, Tennouji-ku, Osaka-shi, Osaka	Trust beneficiary interests	2,910	2,908	0.8	3,080	C
A104	Royal Parks Shinden	3-35-20 Shinden, Adachi-ku, Tokyo	Trust beneficiary interests	5,024	5,072	1.4	5,490	C
A105	Royal Parks Tower Minami-Senju	4-7-3 Minami-Senju, Arakawa-ku, Tokyo	Trust beneficiary interests	21,879	22,645	6.2	22,700	B
A106	Royal Parks Seasir Minami-Senju	3-41-7 Minami-Senju, Arakawa-ku, Tokyo	Trust beneficiary interests	2,683	2,787	0.8	2,720	B
Subtotal (67 properties)				93,013	89,949	26.3	102,353	-
B14	Lexington Plaza Nishigotanda	5-2-4 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interests	4,880	4,639	1.4	4,250	B
B15	Cross Square NAKANO	5-24-18 Nakano, Nakano-ku, Tokyo	Trust beneficiary interests	1,060	1,125	0.3	1,170	B
B16	Ohki Aoba Building	9-7 Futsukamachi, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiary interests	816	709	0.2	710	D
B17	Lexington Plaza Hachiman	3-1-50 Hachiman, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiary interests	3,280	3,072	0.9	3,690	C
B18	AEON TOWN Sukagawa	105 Furukawa, Sukagawa-shi, Fukushima	Trust beneficiary interests	2,320	1,885	0.7	2,410	C
Subtotal (5 properties)				12,356	11,432	3.5	12,230	-
D01	Hotel MyStays Kanda	1-2-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interests	2,851	3,022	0.8	5,020	B
D02	Hotel MyStays Asakusa	1-21-11 Honjo, Sumida-ku, Tokyo	Trust beneficiary interests	2,584	2,569	0.7	4,970	B
D03	Hotel MyStays Kyoto-Shijo	52, Kasabokocho, Higashiiru, Aburanokoji, Shijyodori, Shimogyo-ku, Kyoto-shi, Kyoto	Trust beneficiary interests	6,024	5,757	1.7	15,100	B
D04	MyStays Shin-Urayasu Conference Center	2-1-4 Akemi, Urayasu-shi, Chiba	Trust beneficiary interests	4,930	4,701	1.4	7,140	B
D05	Hotel MyStays Maihama	3-5-1 Tekkodori, Urayasu-shi, Chiba	Trust beneficiary interests	4,870	4,666	1.4	6,580	B
D06	Hotel MyStays Dojima (Note 8)	2-4-1 Sonezakishinchi, Kita-ku, Osaka	Trust beneficiary interests	3,845	3,663	1.1	7,340	B
D07	Hotel MyStays Nagoya-Sakae	2-23-22 Higashi-Sakura, Naka-ku, Nagoya-shi, Aichi	Trust beneficiary interests	2,958	2,751	0.8	5,950	B
D08	Hotel MyStays Sakaisuji-Honmachi	1-4-8 Awaji-machi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	2,514	2,431	0.7	7,750	B
D09	Hotel MyStays Yokohama	4-81 Sueyoshicho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	2,119	2,017	0.6	3,500	B
D10	Hotel MyStays Nippori	5-43-7 Higashi-Nippori, Arakawa-ku, Tokyo	Trust beneficiary interests	1,898	1,830	0.5	3,100	B
D11	Hotel MyStays Fukuoka-Tenjin-Minami	3-14-20 Haruyoshi, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interests	1,570	1,518	0.4	5,060	B
D12	Flexstay Inn Iidabashi	3-26 Shin-Ogawamachi, Shinjuku-ku, Tokyo	Trust beneficiary interests	1,381	1,371	0.4	2,020	B

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 at the end of the period (JPY million) (Note 5)	Appraiser (Note 6)
D13	Hotel MyStays Ueno Inaricho	1-5-7 Matsugaya, Taito-ku, Tokyo	Trust beneficiary interests	1,331	1,270	0.4	2,350	B
D14	Flexstay Inn Shinagawa	1-22-19 Kita-Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interests	1,242	1,215	0.4	2,040	B
D15	Flexstay Inn Tokiwadai	1-52-5 Tokiwadai, Itabashi-ku, Tokyo	Trust beneficiary interests	1,242	1,220	0.4	2,210	B
D16	Flexstay Inn Sugamo	3-6-16 Sugamo, Toshima-ku, Tokyo	Trust beneficiary interests	1,192	1,143	0.3	2,140	B
D17	Hotel MyStays Ottemae	1-3-2 Tokuicho, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	1,192	1,158	0.3	4,700	B
D18	Flexstay Inn Kiyosumi Shirakawa	1-12-16 Tokiwa, Koto-ku, Tokyo	Trust beneficiary interests	749	732	0.2	1,300	B
D19	Flexstay Inn Nakanobu P1	4-27-12 Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interests	589	574	0.2	810	B
D20	Flexstay Inn Nakanobu P2	4-27-8 Futaba, Shinagawa-ku, Tokyo	Trust beneficiary interests	283	288	0.1	390	B
D21	APA Hotel Yokohama-Kannai	3-37-2 Sumiyoshicho, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficiary interests	8,350	7,971	2.4	9,650	B
D22	Hotel Nets Hakodate (Note 9)	26-17 Honcho, Hakodate-shi, Hokkaido	Trust beneficiary interests	2,792	2,655	0.8	3,790	B
D23	Flexstay Inn Shirogane	5-10-15 Shirokane, Minato-ku, Tokyo	Trust beneficiary interests	2,119	2,104	0.6	2,310	B
D24	Hotel MyStays Haneda	5-1-13 Haneda, Ota-ku, Tokyo	Trust beneficiary interests	7,801	7,527	2.2	8,320	B
D25	Hotel MyStays Kameido P1	6-32-1 Kameido, Koto-ku, Tokyo	Trust beneficiary interests	5,594	5,486	1.6	7,020	B
D26	Hotel MyStays Ueno Iriyaguchi	5-5-13 Higashi-Ueno, Taito-ku, Tokyo	Trust beneficiary interests	3,821	3,744	1.1	4,130	B
D27	Hotel MyStays Kameido P2	6-7-8 Kameido, Koto-ku, Tokyo	Trust beneficiary interests	3,742	3,671	1.1	4,750	B
D28	Hotel Vista Shimizu	1-23 Masagocho, Shimizu-ku, Shizuoka-shi, Shizuoka	Trust beneficiary interests	2,198	2,103	0.6	2,450	B
D29	Super Hotel Shinbashi/Karasumoriguchi	5-16-4 Shinbashi, Minato-ku, Tokyo	Trust beneficiary interests	1,624	1,608	0.5	1,790	B
D30	Flexstay Inn Higashi-Jujo	2-10-2 Nakajujo, Kita-ku, Tokyo	Trust beneficiary interests	1,277	1,269	0.4	1,390	B
D31	Hotel MyStays Utsunomiya	2-4-1 Higashi-Shukugo, Utsunomiya-shi, Tochigi	Trust beneficiary interests	1,237	1,232	0.3	1,430	B
D32	Flexstay Inn Kawasaki-Kaizuka	1-13-2 Kaizuka, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interests	980	945	0.3	1,180	B
D33	Comfort Hotel Toyama	1-3-2 Takara-machi, Toyama-shi, Toyama	Trust beneficiary interests	979	948	0.3	1,090	B
D34	Flexstay Inn Kawasaki-Ogawacho	15-9 Ogawacho, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficiary interests	906	889	0.3	1,050	B
D35	Flexstay Inn Ekoda	8-6 Sakaecho, Nerima-ku, Tokyo	Trust beneficiary interests	5,069	4,969	1.4	4,880	B
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	2-21-9 Akebonocho, Tachikawa-shi, Tokyo	Trust beneficiary interests	1,170	1,139	0.3	1,230	E

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 at the end of the period (JPY million) (Note 5)	Appraiser (Note 6)
D37	Super Hotel JR Ueno-iriyaguchi	7-9-14 Ueno, Taito-ku, Tokyo	Trust beneficiary interests	1,130	1,108	0.3	1,220	E
D38	Hotel MyStays Shinsaibashi	1-9-30 Nishi-Shinsaibashi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiary interests	3,160	3,109	0.9	3,410	B
D39	Comfort Hotel Kurosaki	3-13-13 Kurosaki, Yahatanishi-ku, Kitakyusyu-shi, Fukuoka	Trust beneficiary interests	1,148	1,110	0.3	1,220	E
D40	Comfort Hotel Maebashi	2-18-14 Omotocho, Maebashi-shi, Gunma	Trust beneficiary interests	1,128	1,101	0.3	1,170	E
D41	Comfort Hotel Tsubame-Sanjo	2-115 Sugoro, Sanjo-shi, Niigata	Trust beneficiary interests	1,010	985	0.3	1,070	E
D42	Comfort Hotel Kitami	3-4 Ohdori-Nishi, Kitami-shi, Hokkaido	Trust beneficiary interests	851	822	0.2	904	E
D43	Hotel MyStays Gotanda Station (Note 10)	2-6-8 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interests	26,523	26,493	7.5	27,400	C
D44	Hotel Epinard Nasu	1-10 Kaidoue (and 59 other land parcels), Oaza-Takakuhei, Nasu-machi, Nasu-gun, Tochigi	Trust beneficiary interests	20,981	20,476	5.9	22,400	C
D45	Hotel MyStays Fukuoka Tenjin	3-5-7 Tenjin, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficiary interests	8,059	7,953	2.3	8,450	C
D46	Hotel MyStays Hamamatsucho	1-18-14 Hamamatsucho, Minato-ku, Tokyo	Trust beneficiary interests	7,959	7,892	2.3	7,760	C
D47	Hotel MyStays Premier Kanazawa	2-13-1 Hirooka, Kanazawa-shi, Ishikawa	Trust beneficiary interests	13,761	13,450	3.9	14,200	C
D48	Takamatsu Tokyu REI Hotel	9-9 Hyogomachi, Takamatsu-shi, Kagawa	Trust beneficiary interests	2,139	2,116	0.6	2,210	E
D49	Hotel MyStays Premier Hamamatsucho	1-8-5 Hamamatsucho, Minato-ku, Tokyo	Trust beneficiary interests	8,000	8,000	2.3	8,080	B
D50	Hotel MyStays Shin Osaka Conference Center	6-2-19 Nishinakashima, Yodogawa-ku, Osaka-shi, Osaka	Trust beneficiary interests	13,068	13,066	3.7	13,200	D
D51	Hotel MyStays Premier Omori	6-19-3 Minami Oi, Shinagawa-ku, Tokyo	Trust beneficiary interests	9,781	9,777	2.8	9,880	D
D52	Beppu Kamenoi Hotel	5-17 Chuo Cho, Beppu-shi, Oita	Trust beneficiary interests	8,870	8,818	2.5	8,960	D
D53	Hotel MyStays Sapporo Station	4-15 Kita Hachijyo Nishi, Nita-ku, Sapporo-shi, Hokkaido	Trust beneficiary interests	7,880	7,867	2.2	7,960	D
Subtotal (53 properties)				230,480	226,328	65.2	285,424	-
Total (125 properties)				335,849	327,709	95.0	400,007	-
-	Sheraton Grande Tokyo Bay Hotel (preferred equity interest)	-	Preferred equity interest issued by special purpose company (Note 11)	17,845	17,854	5.0	-	-
Subtotal of preferred equity interest issued by special purpose company (1 property)				17,845	17,854	5.0	-	-
Total (126 properties)				353,695	345,564	100.0	-	-

- (Note 1) “Property number” indicates the use categorization of properties owned 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 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 (*kyuhyoji*), except that if the *kyuhyoji* 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. (However, for Sheraton Grande Tokyo Bay Hotel (preferred equity interest) described below (Note 11), “Acquisition price” indicates the amount invested by INV for the preferred equity interest. The same shall apply hereinafter in this document.) 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 at the end of the period” 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. For Sheraton Grande Tokyo Bay Hotel (preferred equity interest), there is no Appraisal value at the end of the period due to it being preferred equity interest.
- (Note 6) “Appraiser” is shown in code in the table above. The code used to represent the appraisers is as follows:

Appraiser
A: Assets Research and Development Inc.
B: Japan Real Estate Institute
C: Morii Appraisal & Investment Consulting Inc.
D: The Tanizawa Sogo Appraisal Co., Ltd.
E: Daiwa Real Estate Appraisal Co., Ltd.

- (Note 7) These trust beneficiary interests were integrated into three groups with other trust beneficiary interests when INV procured funds through debt financing backed by trust assets in July 2011. The grouping of trust beneficiary interests at the end of the fiscal period ended December 31, 2017 is as follows:
- Group 1  
Nisshin Palacestage Daitabashi, Nisshin Palacestage Higashi-Nagasaki, Growth Maison Shin-Yokohama, Belle Face Ueno-Okachimachi, Growth Maison Yoga, Shibuya-Honmachi Mansion, City Heights Kinuta, and Foros Nakamurabashi
- Group 2  
Growth Maison Gotanda, Growth Maison Kameido, Emerald House, Route Tachikawa, College Square Machida, Belair Meguro, and Wacore Tsunashima 1
- Group 3  
Suncrest Shakujii-Koen, Grand Rire Kameido, Acseeds Tower Kawaguchi-Namiki, Growth Maison Kaijin, and College Square Machiya
- (Note 8) With change of the operator, the property name was changed to Hotel MyStays Dojima on August 1, 2017. The same shall apply hereinafter in this document.
- (Note 9) With change of the operator, the property name is scheduled to be changed to Hotel MyStays Hakodate-Goryokaku on May 1, 2018.
- (Note 10) On October 31, 2017, INV acquired the exclusive area for which floor conversion work was implemented (the “Floor Expansion Portion”) as an addition to the exclusive area of the property INV had owned (the “Owned Portion”). INV operates the Owned Portion and the Floor Expansion Portion as one, and thus acquisition price and other figures indicate the total of the Owned Portion and the Floor Expansion Portion unless otherwise specified. The same shall apply hereinafter in this document. Appraisal value at the end of the period indicates appraisal value calculated deeming the Owned Portion and the Floor Expansion Portion as one.
- (Note 11) Preferred equity interest issued by special purpose company refers to 178,458 units of preferred equity interest issued by Kingdom Special Purpose Company (equivalent to 49.0% of preferred equity interest issued and outstanding after the issuance of the said preferred equity interest), with the Sheraton Grande Tokyo Bay Hotel as an underlying asset, and is recorded as 1 property.

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 ended December 31, 2017 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, 2017	Advance Payments	
D06	Hotel MyStays Dojima	Osaka-shi, Osaka	Renovation work	From January 2018 To June 2018	260,700	-	-
D03	Hotel MyStays Kyoto-Shijo	Kyoto-shi, Kyoto	Renovation work	From January 2018 To June 2018	258,700	-	-
D05	Hotel MyStays Maihama	Urayasu-shi, Chiba	Renovation work	From January 2018 To June 2018	243,500	-	-
D04	MyStays Shin-Urayasu Conference Center	Urayasu-shi, Chiba	Renovation work	From January 2018 To June 2018	80,300	-	-
D44	Hotel Epinard Nasu	Nasu-gun, Tochigi	Renovation work	From January 2018 To June 2018	30,000	-	-

(b) Capital expenditures for the fiscal period ended December 31, 2017

The principal construction work constituting capital expenditures for the real estate assets for the fiscal period ended December 31, 2017 is as follows. Capital expenditures for the fiscal period totaled JPY 599,771 thousand, and together with JPY 21,7617 thousand in repair costs included in this fiscal period's expenses, construction work totaling JPY 621,539 thousand was implemented.

Name of property	Location	Purpose	Time of implementation	Payment (JPY thousand)	
D44	Hotel Epinard Nasu	Nasu-gun, Tochigi	Renovation work	From July 2017 To December 2017	35,854
D07	Hotel MyStays Nagoya-Sakae	Nagoya-shi, Aichi	Boiler equipment replacement	From July 2017 To December 2017	28,900
D35	Flexstay Inn Ekoda	Nerima-ku, Tokyo	Conversion of guestrooms to non-smoking	From July 2017 To December 2017	25,482
D27	Hotel MyStays Kameido P2	Koto-ku, Tokyo	Conversion of guestrooms to non-smoking	From July 2017 To December 2017	25,078
D25	Hotel MyStays Kameido P1	Koto-ku, Tokyo	Conversion of guestrooms to non-smoking	From July 2017 To December 2017	16,346
Other construction				468,109	
Total				599,771	

(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	25th fiscal period	26th fiscal period	27th fiscal period	28th fiscal period	29th fiscal period
	From July 1, 2015 to December 31, 2015	From January 1, 2016 to June 30, 2016	From July 1, 2016 to December 31, 2016	From January 1, 2017 to June 30, 2017	From July 1, 2017 to December 31, 2017
Reserved funds at beginning of period	852,699	982,750	1,303,685	1,397,286	1,397,243
Amount reserved (Note)	352,490	543,275	446,066	468,145	697,444
Amount reversed (Note)	222,439	222,339	352,464	468,189	528,579
Amount carried over for next fiscal period	982,750	1,303,685	1,397,286	1,397,243	1,566,108

(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, 2017 to December 31, 2017)

(Unit: JPY thousand)

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	
A26	Nisshin Palacestage Daitabashi	37,935	35,043	2,892	18,821	5,249	1,624	44	9,303	2,599	19,113	28,417
A27	Nisshin Palacestage Higashi-Nagasaki	44,936	40,318	4,617	26,303	7,040	2,669	68	13,757	2,767	18,632	32,390
A28	Growth Maison Gotanda	27,429	26,844	585	8,447	2,118	1,322	27	4,457	521	18,981	23,438
A29	Growth Maison Kameido	34,006	31,322	2,684	14,795	4,256	1,678	38	5,994	2,828	19,211	25,205
A30	Emerald House	42,569	39,737	2,832	17,538	4,997	2,547	71	9,263	658	25,030	34,294
A31	Harmonie Ochanomizu	40,327	38,406	1,921	16,501	3,774	1,899	40	7,755	3,031	23,825	31,581
A32	Suncrest Shakujii-Koen	36,146	33,582	2,564	17,782	4,334	3,125	65	8,884	1,372	18,364	27,249
A33	Growth Maison Shin-Yokohama	33,518	31,399	2,118	16,349	4,177	2,402	48	6,237	3,483	17,168	23,406
A34	Belle Face Ueno-Okachimachi	29,347	28,266	1,081	13,487	5,828	1,656	35	5,368	598	15,860	21,228
A35	Grand Rire Kameido	26,619	26,619	-	8,053	276	1,722	39	5,510	504	18,566	24,076
A36	Growth Maison Ikebukuro	25,913	24,142	1,770	11,504	3,444	1,045	26	5,356	1,631	14,409	19,766
A37	Growth Maison Yōga	22,004	20,579	1,424	10,595	3,061	1,367	26	4,196	1,943	11,408	15,605
A38	Route Tachikawa	20,357	18,549	1,808	9,034	1,765	1,068	28	4,426	1,745	11,323	15,750
A39	Shibuya-Honmachi Mansion	19,610	18,671	938	6,078	1,980	929	23	1,954	1,190	13,532	15,487
A40	City Heights Kinuta	16,499	15,359	1,140	8,555	3,002	979	21	2,066	2,484	7,944	10,011
A41	Acseeds Tower Kawaguchi-Namiki	24,680	24,079	600	10,873	2,865	1,120	29	5,069	1,788	13,806	18,875
A42	Capital Heights Kagurazaka	19,656	18,859	796	7,751	2,425	1,087	25	2,716	1,495	11,904	14,621
A43	College Square Machida	17,484	17,484	-	4,190	244	1,517	25	1,903	500	13,293	15,197
A44	Belair Meguro	15,462	14,696	765	7,325	2,057	875	17	2,382	1,993	8,136	10,518
A45	Wacore Tsunashima I	17,879	17,339	539	8,063	2,279	880	23	4,006	872	9,816	13,823
A46	Foros Nakamurabashi	18,730	16,746	1,983	9,543	2,347	985	22	5,037	1,150	9,187	14,224
A47	Growth Maison Kaijin	23,510	20,979	2,531	14,066	4,017	2,090	54	6,514	1,388	9,444	15,958
A48	College Square Machiya	14,706	14,706	-	5,250	228	930	18	3,568	504	9,455	13,024
A51	City House Tokyo Shinbashi	91,869	86,426	5,443	37,979	13,549	4,949	84	13,331	6,063	53,890	67,222
A52	Winbell Kagurazaka	106,463	97,300	9,163	37,608	9,265	6,369	149	16,891	4,932	68,854	85,745
A53	Nishiwaseda Crescent Mansion	73,034	70,245	2,788	21,152	6,297	3,639	104	8,780	2,330	51,881	60,662
A54	Lexington Square Akebonobashi	50,044	47,258	2,786	19,151	4,754	2,217	42	8,814	3,321	30,893	39,708
A56	Casa Eremitaggio (Note 2)	32,725	29,285	3,439	15,911	3,337	2,423	32	7,738	2,378	16,814	24,552
A59	Towa City Coop Shinotsuka II	35,011	33,689	1,321	14,405	4,675	1,398	38	5,551	2,740	20,606	26,157
A61	Bichsel Musashiseki	23,557	22,939	617	8,560	2,770	1,179	33	3,194	1,382	14,996	18,191
A62	Lexel Mansion Ueno Matsugaya (Note 2)	33,795	30,394	3,400	16,856	3,641	2,755	41	7,156	3,261	16,938	24,095
A63	Towa City Coop Sengencho	54,095	50,044	4,051	27,214	14,049	2,997	74	7,510	2,581	26,880	34,391
A64	Royal Park Omachi	26,790	23,314	3,476	13,045	4,968	1,591	43	4,834	1,608	13,745	18,579
A65	Lexington Square Haginomachi	16,671	15,096	1,575	9,238	2,669	1,142	27	3,553	1,845	7,433	10,986
A66	Visconti Kakuozan	10,327	9,419	907	6,235	2,510	897	15	1,733	1,077	4,092	5,825
A71	Lexington Square Daitabashi	31,873	30,871	1,001	14,928	2,573	1,545	30	8,056	2,721	16,945	25,001
A72	Lexington Square Honjo Azumabashi	18,108	17,192	916	10,378	2,311	817	21	5,037	2,190	7,729	12,767
A73	AMS TOWER Minami 6-Jo	42,888	40,227	2,660	31,738	6,357	6,425	86	14,199	4,669	11,149	25,349
A75	Spacia Ebisu	208,979	185,537	23,441	72,953	13,359	8,827	170	38,185	12,409	136,026	174,212
A76	Neo Prominence	64,935	55,857	9,077	25,576	8,845	3,547	109	10,259	2,814	39,358	49,618
A77	Invoice Shin-Kobe Residence	49,889	46,046	3,842	26,592	4,476	2,700	63	11,526	7,825	23,296	34,822
A78	Cosmo Court Motomachi	37,732	37,061	670	20,847	3,495	2,305	64	9,989	4,993	16,884	26,873
A79	Revest Honjin	29,712	27,833	1,879	14,011	3,460	1,802	47	7,464	1,237	15,700	23,165
A80	Revest Matsubara	28,388	26,596	1,792	14,271	3,733	1,868	43	7,072	1,552	14,117	21,189
A81	Sun Terrace Minami Ikebukuro (Note 2)	22,533	20,436	2,097	12,029	2,967	1,378	26	4,351	3,304	10,504	14,855
A82	Alba Noritake Shinmachi	25,132	23,525	1,606	12,942	2,910	1,735	44	6,960	1,292	12,189	19,150
A83	Revest Meieki Minami	24,979	23,232	1,747	13,600	3,317	1,664	44	6,982	1,592	11,379	18,361
A84	Revest Heian	23,656	23,121	534	10,870	2,347	1,400	32	6,423	666	12,786	19,209
A85	Vēndir Hamaotsu Ekimae	33,279	31,055	2,224	15,578	5,271	1,961	60	7,037	1,249	17,700	24,737
A86	Salvo Sala	25,620	24,426	1,193	11,381	2,975	1,548	37	5,444	1,376	14,238	19,682
A87	Excellente Kagurazaka	17,974	17,652	322	8,204	1,989	767	23	4,204	1,219	9,770	13,974
A88	Luna Court Edobori	20,768	20,015	753	10,660	2,903	1,186	31	5,081	1,456	10,108	15,190
A89	Winntage Kobe Motomachi	20,880	20,684	196	12,813	2,975	1,587	38	5,836	2,375	8,067	13,903
A90	Queen's Court Fukuzumi	17,200	16,361	839	6,506	1,606	747	22	3,210	920	10,693	13,904

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		
A91	Corp Higashinotoin	19,847	17,239	2,608	8,901	2,469	922	28	3,802	1,679	10,945	14,748
A92	Belair Oimachi	14,697	14,113	583	6,533	2,058	672	18	2,675	1,108	8,163	10,839
A93	Siete Minami-Tsukaguchi	16,625	15,470	1,155	7,619	2,108	982	27	3,244	1,256	9,006	12,251
A94	Prime Life Sannomiya Isogami Koen	15,321	14,354	966	8,974	1,963	847	20	3,428	2,714	6,346	9,775
A95	HERMITAGE NANBA WEST	15,767	15,599	168	7,333	1,710	1,003	24	3,446	1,148	8,434	11,881
A96	Century Park Shinkawa 1-bankan	17,018	14,170	2,847	8,828	2,396	873	32	4,190	1,334	8,189	12,379
A97	West Avenue	10,715	10,305	409	6,462	1,663	565	17	3,125	1,089	4,252	7,378
A98	Little River Honmachibashi	12,838	12,690	147	7,429	2,284	950	22	2,874	1,298	5,408	8,282
A99	Prime Life Mikage	12,209	11,958	250	6,557	1,427	762	18	2,971	1,378	5,651	8,622
A100	City Court Kitaichijo	66,200	61,320	4,880	38,697	5,951	7,717	128	22,602	2,297	27,502	50,105
A101	Lieto Court Mukojima	54,091	51,317	2,773	26,415	6,606	2,502	70	15,422	1,812	27,676	43,098
A102	Lieto Court Nishi-Ojima	48,298	47,825	472	19,905	4,695	2,168	55	12,276	710	28,392	40,669
A103	Royal Parks Momozaka	148,512	134,870	13,641	111,218	51,278	7,796	195	45,200	6,748	37,293	82,493
A104	Royal Parks Shinden	215,752	200,266	15,485	116,362	30,902	14,173	386	70,469	430	99,390	169,859
A105	Royal Parks Tower Minami-Senju	744,215	686,817	57,398	442,349	112,417	-	993	308,023	20,915	301,865	609,889
A106	Royal Parks Seasir Minami-Senju	96,186	89,442	6,743	58,069	15,935	-	256	40,282	1,594	38,116	78,399
B08	Kindai Kagakusha Building (Note 2)	6,827	5,626	1,200	5,470	1,227	2,948	10	-	1,283	1,356	1,356
B09	Shinjuku Island (Note 2)	(Note 1)										
B14	Lexington Plaza Nishigotanda	152,362	133,985	18,376	66,940	27,042	12,210	140	26,618	928	85,422	112,040
B15	Cross Square NAKANO	46,566	39,594	6,971	17,742	6,444	3,862	59	5,065	2,309	28,824	33,890
B16	Ohki Aoba Building	35,318	27,817	7,501	21,016	9,273	4,056	73	6,861	750	14,302	21,164
B17	Lexington Plaza Hachiman	165,805	131,885	33,920	79,968	46,045	11,263	152	21,558	948	85,837	107,396
B18	AEON TOWN Sukagawa	141,886	141,886	-	93,716	56,124	7,334	203	29,438	615	48,169	77,608
C01	Times Kanda-Sudacho 4th (Note 2)	435	435	-	384	-	384	-	-	-	51	51
D01	Hotel MyStays Kanda	111,117	111,117	-	29,150	-	4,998	62	23,582	507	81,967	105,549
D02	Hotel MyStays Asakusa	106,946	106,946	-	20,879	-	3,855	76	16,428	518	86,066	102,495
D03	Hotel MyStays Kyoto-Shijo	315,937	315,937	-	61,117	-	10,364	226	50,011	515	254,820	304,831
D04	MyStays Shin-Urayasu Conference Center	187,712	187,712	-	51,272	-	8,161	138	42,462	509	136,440	178,902
D05	Hotel MyStays Maihama	160,018	160,018	-	39,824	-	3,192	72	36,046	512	120,194	156,240
D06	Hotel MyStays Dojima	231,470	231,470	-	58,855	8,208	11,618	190	37,305	1,532	172,615	209,921
D07	Hotel MyStays Nagoya-Sakae	220,601	220,601	-	69,921	17,163	4,583	166	47,500	508	150,679	198,180
D08	Hotel MyStays Sakaisuji-Honmachi	176,288	176,288	-	27,892	-	6,399	86	20,900	505	148,395	169,296
D09	Hotel MyStays Yokohama	127,889	127,889	-	29,864	-	4,477	135	24,739	512	98,025	122,765
D10	Hotel MyStays Nippori	61,152	61,092	60	16,590	-	1,756	42	14,286	505	44,562	58,848
D11	Hotel MyStays Fukuoka-Tenjin-Minami	167,915	167,915	-	20,005	-	5,079	73	14,348	504	147,909	162,257
D12	Flexstay Inn Iidabashi	52,682	52,682	-	14,755	-	4,498	61	9,688	506	37,926	47,615
D13	Hotel MyStays Ueno Inaricho	50,462	50,462	-	13,115	-	1,470	31	11,107	505	37,346	48,454
D14	Flexstay Inn Shinagawa	42,955	42,955	-	8,308	-	1,660	26	6,116	505	34,647	40,763
D15	Flexstay Inn Tokiwadai	53,861	53,861	-	11,270	-	3,416	56	7,292	504	42,591	49,883
D16	Flexstay Inn Sugamo	49,654	49,654	-	13,442	-	2,867	46	10,022	506	36,212	46,234
D17	Hotel MyStays Otemae	127,898	127,898	-	13,239	-	3,600	84	9,047	506	114,659	123,707
D18	Flexstay Inn Kiyosumi Shirakawa	36,933	36,933	-	11,463	-	3,386	53	7,516	506	25,470	32,986
D19	Flexstay Inn Nakanobu P1	17,374	17,374	-	5,112	-	951	17	3,637	505	12,261	15,899
D20	Flexstay Inn Nakanobu P2	10,199	10,199	-	2,860	-	526	10	1,817	505	7,338	9,156
D21	APA Hotel Yokohama-Kannai	229,958	229,958	-	88,632	-	11,794	212	76,121	504	141,326	217,448
D22	Hotel Nets Hakodate	148,450	148,450	-	47,871	-	15,501	134	31,727	508	100,579	132,306
D23	Flexstay Inn Shirogane	50,788	50,788	-	9,983	-	1,903	38	7,534	506	40,805	48,339
D24	Hotel MyStays Haneda	187,483	187,483	-	67,929	-	8,076	155	59,288	409	119,553	178,842
D25	Hotel MyStays Kameido P1	180,675	180,675	-	40,561	-	6,373	128	33,652	406	140,114	173,766
D26	Hotel MyStays Ueno Iriyaguchi	92,202	92,202	-	24,828	2,455	1,224	61	20,679	407	67,374	88,054
D27	Hotel MyStays Kameido P2	123,808	123,808	-	30,575	-	3,827	80	26,260	407	93,233	119,493
D28	Hotel Vista Shimizu	82,140	82,140	-	26,648	480	4,100	69	21,595	404	55,491	77,086
D29	Super Hotel Shinbashi/ Karasumoriguchi	39,426	39,426	-	8,959	706	3,097	29	4,717	407	30,467	35,185
D30	Flexstay Inn Higashi-Jujo	37,747	37,747	-	8,186	-	1,940	36	5,804	404	29,560	35,365
D31	Hotel MyStays Utsunomiya	95,975	95,975	-	32,719	-	13,735	239	18,330	414	63,256	81,587
D32	Flexstay Inn Kawasaki-Kaizuka	32,833	32,833	-	11,878	889	823	29	9,729	407	20,954	30,684

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			
D33	Comfort Hotel Toyama	35,928	35,928	-	13,153	-	3,770	60	8,913	409	22,774	31,687
D34	Flexstay Inn Kawasaki-Ogawacho	29,409	29,409	-	7,199	-	967	20	5,806	404	22,210	28,017
D35	Flexstay Inn Ekoda	104,046	104,046	-	37,748	-	4,663	83	32,596	406	66,297	98,893
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	31,787	31,787	-	13,120	1,391	2,798	39	8,482	408	18,666	27,149
D37	Super Hotel JR Ueno-iriyaguchi	27,275	27,275	-	9,993	1,070	2,140	27	6,346	408	17,282	23,628
D38	Hotel MyStays Shinsaibashi	88,880	88,880	-	22,149	-	2,544	44	19,155	404	66,731	85,887
D39	Comfort Hotel Kurosaki	37,894	37,894	-	18,132	650	3,418	54	13,600	409	19,761	33,362
D40	Comfort Hotel Maebashi	43,811	43,811	-	29,534	5,719	5,029	76	18,294	414	14,276	32,570
D41	Comfort Hotel Tsubame-Sanjo	34,949	32,861	2,088	15,420	570	3,836	66	10,534	413	19,528	30,063
D42	Comfort Hotel Kitami	30,300	30,300	-	17,575	659	4,917	53	11,534	410	12,725	24,259
D43	Hotel MyStays Gotanda Station	427,047	426,068	978	58,360	4,254	15,378	342	37,942	442	368,686	406,629
D44	Hotel Epinard Nasu	1,103,226	1,103,226	-	367,377	9,335	28,295	852	328,458	434	735,849	1,064,307
D45	Hotel MyStays Fukuoka Tenjin	237,370	237,370	-	50,052	-	7,036	105	42,503	406	187,318	229,821
D46	Hotel MyStays Hamamatsucho	114,084	114,084	-	34,972	-	6,611	53	27,902	405	79,112	107,015
D47	Hotel MyStays Premier Kanazawa	368,625	368,625	-	125,407	-	13,231	251	111,520	404	243,217	354,738
D48	Takamatsu Tokyu REI Hotel	106,156	76,200	29,956	60,119	34,878	8,681	148	15,472	938	46,036	61,509
D49	Hotel MyStays Premier Hamamatsucho	228,976	228,857	118	22,998	-	-	168	22,420	409	205,978	228,398
D50	Hotel MyStays Shin Osaka Conference Center	267,910	267,910	-	15,177	-	-	165	14,835	176	252,732	267,568
D51	Hotel MyStays Premier Omori	160,256	160,223	32	17,102	18	-	128	16,778	176	143,153	159,932
D52	Beppu Kamenoi Hotel	221,531	221,531	-	64,216	-	9	268	63,762	176	157,314	221,077
D53	Hotel MyStays Sapporo Station	108,954	108,954	-	24,434	-	-	91	24,168	174	84,520	108,688
Total		11,403,236	11,060,128	343,107	3,962,183	707,458	470,600	11,499	2,567,215	205,408	7,441,052	10,008,268

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

(Note 2) INV sold Kindai Kagaku Sha Building and Times Kanda-Sudacho 4th on July 31, 2017; Shinjuku Island on December 26, 2017; and Casa Eremitaggio, Lexel Mansion Ueno Matsugaya and Sun Terrace Minami Ikebukuro on December 28, 2017.

## (3) Tenant Summary

## a Summary of lease conditions by property

(As of December 31, 2017)

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) (Note7)	Ratio of rental revenue (%) (Note 17)	Type of lease (Note 8)
A26	Nisshin Palacestage Daitabashi	1,771.13	1,645.50	98	91	1	Best Property Corporation	37,935	0.3	Pass through master lease
A27	Nisshin Palacestage Higashi-Nagasaki	2,681.94	2,607.30	60	58	1	Best Property Corporation	44,936	0.4	Pass through master lease
A28	Growth Maison Gotanda	1,051.50	1,051.50	48	48	1	Pacific Development & Management Co., Ltd	27,429	0.2	Pass through master lease
A29	Growth Maison Kameido	1,367.96	1,286.12	66	62	1	Mitsui Home Estate Co., Ltd.	34,006	0.3	Pass through master lease
A30	Emerald House	2,152.31	2,084.15	96	93	1	Tokyo Gakusei-life Co., Ltd.	42,569	0.4	Pass through master lease
A31	Harmonie Ochanomizu	1,748.24	1,702.08	65	64	1	Pacific Development & Management Co., Ltd.	40,327	0.4	Pass through master lease
A32	Suncrest Shakujji-Koen	3,029.16	3,029.16	29	29	1	Mitsui Home Estate Co., Ltd.	36,146	0.3	Pass through master lease
A33	Growth Maison Shin-Yokohama	1,858.44	1,774.64	68	65	1	Pacific Development & Management Co., Ltd	33,518	0.3	Pass through master lease
A34	Belle Face Ueno-Okachimachi	1,351.11	1,182.08	64	56	1	Tokyo Gakusei-life Co., Ltd.	29,347	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	0.2	Guaranteed rent
A36	Growth Maison Ikebukuro	952.89	930.49	42	41	1	Pacific Development & Management Co., Ltd	25,913	0.2	Pass through master lease
A37	Growth Maison Yoga	1,015.34	989.41	39	38	1	Mitsui Home Estate Co., Ltd.	22,004	0.2	Pass through master lease
A38	Route Tachikawa	1,368.57	1,368.57	24	24	1	Pacific Development & Management Co., Ltd	20,357	0.2	Pass through master lease
A39	Shibuya-Honmachi Mansion	1,167.50	1,065.72	25	23	1	Pacific Development & Management Co., Ltd	19,610	0.2	Pass through master lease
A40	City Heights Kinuta	1,235.93	1,169.33	19	18	1	Mitsui Home Estate Co., Ltd.	16,499	0.1	Pass through master lease
A41	Acseeds Tower Kawaguchi-Namiki	1,210.74	1,168.46	57	55	1	Goodworks Co., Ltd.	24,680	0.2	Pass through master lease
A42	Capital Heights Kagurazaka	1,126.65	1,095.18	26	25	1	Mitsui Home Estate Co., Ltd.	19,656	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	15,462	0.1	Pass through master lease
A45	Wacore Tsunashima I	907.46	853.61	50	47	1	Pacific Development & Management Co., Ltd	17,879	0.2	Pass through master lease
A46	Foros Nakamurabashi	815.77	795.58	37	36	1	Mitsui Home Estate Co., Ltd.	18,730	0.2	Pass through master lease
A47	Growth Maison Kaijin	2,040.27	1,973.84	34	33	1	Mitsui Home Estate Co., Ltd.	23,510	0.2	Pass through master lease
A48	College Square Machiya	871.35	871.35	43	43	1	Mainichicomnet Co., Ltd.	14,706	0.1	Guaranteed rent
A51	City House Tokyo Shinbashi	3,364.00	3,246.48	86	83	1	Mitsui Home Estate Co., Ltd.	91,869	0.8	Pass through master lease
A52	Winbell Kagurazaka	4,032.70	3,947.05	118	115	1	Mitsui Home Estate Co., Ltd.	106,463	0.9	Pass through master lease
A53	Nishiwaseda Crescent Mansion	4,310.77	4,259.47	69	68	1	Pacific Development & Management Co., Ltd	73,034	0.6	Pass through master lease
A54	Lexington Square Akebonobashi	1,987.88	1,918.95	88	85	1	Mitsui Home Estate Co., Ltd.	50,044	0.4	Pass through master lease
A59	Towa City Coop Shinotsuka II	1,627.13	1,607.75	58	57	1	Mitsui Home Estate Co., Ltd.	35,011	0.3	Pass through master lease
A61	Bichsel Musashiseki	1,220.24	1,151.99	70	66	1	Mitsui Home Estate Co., Ltd.	23,557	0.2	Pass through master lease
A63	Towa City Coop Sengencho	3,426.36	2,884.56	154	129	1	Pacific Development & Management Co., Ltd	54,095	0.5	Pass through master lease
A64	Royal Park Omachi	1,929.59	1,823.47	51	48	1	Goodworks Co., Ltd.	26,790	0.2	Pass through master lease
A65	Lexington Square Haginomachi	1,528.58	1,448.48	39	37	1	Goodworks Co., Ltd.	16,671	0.1	Pass through master lease
A66	Visconti Kakuozan	705.75	591.49	8	7	1	Mitsui Home Estate Co., Ltd.	10,327	0.1	Pass through master lease
A71	Lexington Square Daitabashi	1,430.64	1,430.64	43	43	1	Goodworks Co., Ltd.	31,873	0.3	Pass through master lease
A72	Lexington Square Honjo Azumabashi	784.74	761.50	33	32	1	Mitsui Home Estate Co., Ltd.	18,108	0.2	Pass through master lease
A73	AMS TOWER Minami 6-Jo	4,460.56	3,620.74	120	97	1	Big Service Co., Ltd.	42,888	0.4	Pass through master lease
A75	Spacia Ebisu	7,794.91	7,110.97	109	100	1	Pacific Development & Management Co., Ltd	208,979	1.8	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 (%) (Note 17)	Type of lease (Note 8)
A76	Neo Prominence	3,574.70	3,574.70	52	52	1	Goodworks Co., Ltd.	64,935	0.6	Pass through master lease
A77	Invoice Shin-Kobe Residence	2,773.71	2,773.71	81	81	1	Goodworks Co., Ltd.	49,889	0.4	Pass through master lease
A78	Cosmo Court Motomachi	2,310.49	2,281.50	82	81	1	Goodworks Co., Ltd.	37,732	0.3	Pass through master lease
A79	Revest Honjin	1,933.80	1,764.38	80	73	1	Mininet, Inc.	29,712	0.3	Pass through master lease
A80	Revest Matsubara	1,955.40	1,845.67	70	66	1	Mininet, Inc.	28,388	0.2	Pass through master lease
A82	Alba Noritake Shinmachi	1,731.68	1,623.10	64	60	1	Mininet, Inc.	25,132	0.2	Pass through master lease
A83	Revest Meieki Minami	1,634.60	1,485.44	61	55	1	Mininet, Inc.	24,979	0.2	Pass through master lease
A84	Revest Heian	1,554.03	1,479.03	40	37	1	Mininet, Inc.	23,656	0.2	Pass through master lease
A85	Vendir Hamaotsu Ekimae	2,670.66	2,610.15	81	79	1	Mininet, Inc.	33,279	0.3	Pass through master lease
A86	Salvo Sala	1,428.12	1,428.12	54	54	1	Goodworks Co., Ltd.	25,620	0.2	Pass through master lease
A87	Excellente Kagurazaka	701.92	660.73	33	31	1	Goodworks Co., Ltd.	17,974	0.2	Pass through master lease
A88	Luna Court Edobori	1,185.50	1,114.09	50	47	1	Goodworks Co., Ltd.	20,768	0.2	Pass through master lease
A89	Wintage Kobe Motomachi	1,433.35	1,358.70	57	54	1	Goodworks Co., Ltd.	20,880	0.2	Pass through master lease
A90	Queen's Court Fukuzumi	765.18	686.31	25	22	1	Goodworks Co., Ltd.	17,200	0.2	Pass through master lease
A91	Corp Higashinotoin	1,029.05	1,005.61	42	41	1	Goodworks Co., Ltd.	19,847	0.2	Pass through master lease
A92	Belair Oimachi	530.60	492.80	26	24	1	Goodworks Co., Ltd.	14,697	0.1	Pass through master lease
A93	Siete Minami-Tsukaguchi	1,020.86	919.52	40	36	1	Goodworks Co., Ltd.	16,625	0.1	Pass through master lease
A94	Prime Life Sannomiya Isogami Koen	789.12	789.12	32	32	1	Goodworks Co., Ltd.	15,321	0.1	Pass through master lease
A95	HERMITAGE NANBA WEST	992.76	992.76	21	21	1	Goodworks Co., Ltd.	15,767	0.1	Pass through master lease
A96	Century Park Shinkawa 1-bankan	1,477.62	1,410.28	44	42	1	Goodworks Co., Ltd.	17,018	0.1	Pass through master lease
A97	West Avenue	794.80	695.46	40	35	1	Goodworks Co., Ltd.	10,715	0.1	Pass through master lease
A98	Little River Honmachibashi	974.81	884.50	31	28	1	Goodworks Co., Ltd.	12,838	0.1	Pass through master lease
A99	Prime Life Mikage	761.18	736.22	28	27	1	Goodworks Co., Ltd.	12,209	0.1	Pass through master lease
A100	City Court Kitaichijo	5,230.18	5,027.65	127	122	1	Big Service Co., Ltd.	66,200	0.6	Pass through master lease
A101	Lieto Court Mukojima	2,940.20	2,911.22	82	81	1	Mitsui Home Estate Co., Ltd.	54,091	0.5	Pass through master lease
A102	Lieto Court Nishi-Ojima	2,048.28	2,027.36	91	90	1	Mitsui Home Estate Co., Ltd.	48,298	0.4	Pass through master lease
A103	Royal Parks Momozaka	8,776.26	8,214.88	147	147	4	Goodworks Co., Ltd. (Note 9)	148,512	1.3	Pass through master lease (Note 10)
A104	Royal Parks Shinden	15,797.29	15,797.29	248	248	4	Goodworks Co., Ltd. (Note 11)	215,752	1.9	Guaranteed rent and pass through master lease
A105	Royal Parks Tower Minami-Senju	39,113.46	36,814.84	557	524	1	Goodworks Co., Ltd. (Note 12)	744,215	6.5	Pass through master lease
A106	Royal Parks Seasir Minami-Senju	6,496.86	6,215.24	113	113	1	Goodworks Co., Ltd. (Note 12)	96,186	0.8	Pass through master lease (Note 13)
B14	Lexington Plaza Nishigotanda	6,033.58	6,033.58	11	11	7	Community One Co., Ltd.	152,362	1.3	-
B15	Cross Square NAKANO	2,145.00	2,043.02	45	42	1	Shin-ei Real Estate Business Co., Ltd.	46,566	0.4	Pass through master lease
B16	Ohki Aoba Building	2,178.37	1,931.59	13	13	1	One-Eyed Capital Advisers	35,318	0.3	Pass through master lease
B17	Lexington Plaza Hachiman	8,419.15	8,419.15	18	18	1	Tokyo Bisō Kogyō Corporation	165,805	1.5	Pass through master lease
B18	AEON TOWN Sukagawa	18,440.58	18,440.58	1	1	1	AEONTOWN Co., Ltd.	141,886	1.2	Guaranteed rent
D01	Hotel MyStays Kanda	2,585.72	2,585.72	126	126	1	MyStays Hotel Management Co., Ltd.	111,117	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.	106,946	0.9	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) (Note7)	Ratio of rental revenue (%) (Note 17)	Type of lease (Note 8)
D03	Hotel MyStays Kyoto-Shijo	7,241.51	7,241.51	225	225	1	MyStays Hotel Management Co., Ltd.	315,937	2.8	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.	187,712	1.6	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.	160,018	1.4	Fixed rent plus variable rent type operation
D06	Hotel MyStays Dojima	9,445.32	9,445.32	153	153	1	MGH Master Lease Co., Ltd. (Note 15)	231,470	2.0	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	220,601	1.9	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.	176,288	1.5	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.	127,889	1.1	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.	61,152	0.5	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.	167,915	1.5	Fixed rent plus variable rent type operation
D12	Flexstay Inn Iidabashi	2,953.38	2,953.38	62	61	1	MyStays Hotel Management Co., Ltd.	52,682	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.	50,462	0.4	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.	42,955	0.4	Fixed rent plus variable rent type operation
D15	Flexstay Inn Tokiwadai	2,539.75	2,539.75	130	129	1	MyStays Hotel Management Co., Ltd.	53,861	0.5	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.	49,654	0.4	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.	127,898	1.1	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.	36,933	0.3	Fixed rent plus variable rent type operation
D19	Flexstay Inn Nakanobu P1	770.56	770.56	39	39	1	MyStays Hotel Management Co., Ltd.	17,374	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.	10,199	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	229,958	2.0	Fixed rent plus variable rent type operation
D22	Hotel Nets Hakodate	7,961.26	7,961.26	205	205	1	Hakodate Hospitality Godo Kaisha (Note 16)	148,450	1.3	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.	50,788	0.4	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.	187,483	1.6	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.	180,675	1.6	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.	92,202	0.8	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 (%) (Note 17)	Type of lease (Note 8)
D27	Hotel MyStays Kameido P2	2,793.99	2,793.99	177	177	1	MyStays Hotel Management Co., Ltd.	123,808	1.1	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.	82,140	0.7	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	0.3	Fixed rent
D30	Flexstay Inn Higashi-Jujo	1,714.53	1,714.53	89	88	1	MyStays Hotel Management Co., Ltd.	37,747	0.3	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.	95,975	0.8	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.	32,833	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	0.3	Fixed rent
D34	Flexstay Inn Kawasaki-Ogawacho	725.60	725.60	62	62	1	MyStays Hotel Management Co., Ltd.	29,409	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.	104,046	0.9	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	0.2	Fixed rent
D38	Hotel MyStays Shinsaibashi	1,942.01	1,942.01	57	57	1	MyStays Hotel Management Co., Ltd.	88,880	0.8	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	0.3	Fixed rent
D40	Comfort Hotel Maebashi	3,660.96	3,660.96	154	154	2	Greens Co., Ltd.	43,811	0.4	Fixed rent
D41	Comfort Hotel Tsubame-Sanjo	3,099.90	3,099.90	133	133	2	Greens Co., Ltd.	34,949	0.3	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	10,137.88	10,137.88	385	385	1	MyStays Hotel Management Co., Ltd.	427,047	3.7	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.	1,103,226	9.7	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.	237,370	2.1	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.	114,084	1.0	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.	368,625	3.2	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.	106,156	0.9	Fixed rent
D49	Hotel MyStays Premier Hamamatsucho	6,151.93	6,151.93	134	134	1	MyStays Hotel Management Co., Ltd.	228,976	2.0	Fixed rent plus variable rent type operation
D50	Hotel MyStays Shin Osaka Conference Center	13,026.99	13,026.99	397	397	1	MyStays Hotel Management Co., Ltd.	267,910	2.3	Fixed rent plus variable rent type operation
D51	Hotel MyStays Premier Omori	11,849.61	11,849.61	232	232	1	MyStays Hotel Management Co., Ltd.	160,256	1.4	Fixed rent plus variable rent type operation
D52	Beppu Kamenoi Hotel	19,422.08	19,422.08	322	322	1	Beppu Hotel Management Godo Kaisha (Note 15)	221,531	1.9	Fixed rent plus variable rent type operation
D53	Hotel MyStays Sapporo Station	7,267.88	7,267.88	242	242	1	MyStays Hotel Management Co., Ltd.	108,954	1.0	Fixed rent plus variable rent type operation
Total (Note 17)		508,518.23	499,438.86	13,261	13,024	141	—	11,403,236	100.0	—

(Note 1) "Leasable Area" is the total leasable floor area for guest room, 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 and property manager was changed to Goodworks Co., Ltd. on August 1, 2017.
- (Note 10) With the change described in Note 9, the type of lease for the residential portion was changed from “guaranteed rent” to “pass-through master lease.”
- (Note 11) The master lessee and property manager was changed to Goodworks Co., Ltd. on July 1, 2017.
- (Note 12) The master lessee and property manager was changed to Goodworks Co., Ltd. on December 1, 2017.
- (Note 13) With the change described in Note 12, the type of lease for the residential portion was changed from “guaranteed rent” to “pass-through master lease.”
- (Note 14) The operator to which the tenant entrusts management of hotel operations was changed to MyStays Hotel Management Co., Ltd. on August 1, 2017.
- (Note 15) The master lessee and property manager was changed to MyStays Hotel Management Co., Ltd. on February 1, 2018.
- (Note 16) The operator to which the tenant entrusts management of hotel operations is scheduled to be changed to MyStays Hotel Management Co., Ltd. on May 1, 2018.
- (Note 17) “Ratio of rental revenue (%)” is calculated including rental revenue of properties sold during the period (Casa Eremitaggio, Lexel Mansion Ueno Matsugaya, Sun Terrace Minami Ikebukuro, Kindai Kagaku Sha Building, Shinjuku Island and Times Kanda-Sudacho 4th).

b Occupancy trend

(Unit: %)

Property No.	Property name	24th fiscal period	25th fiscal period	26th fiscal period	27th fiscal period	28th fiscal period	29th fiscal period					
		As of the end of June 2015	As of the end of Dec. 2015	As of the end of June 2016	As of the end of Dec. 2016	As of the end of June 2016	As of the end of Jul. 2017	As of the end of Aug. 2017	As of the end of Sept. 2017	As of the end of Oct. 2017	As of the end of Nov. 2017	As of the end of Dec.2017
A26	Nisshin Palacestage Daitabashi	96.9	96.1	97.0	98.0	89.8	93.0	92.9	93.0	92.0	93.1	92.9
A27	Nisshin Palacestage Higashi-Nagasaki	94.9	96.8	93.2	96.5	93.6	90.6	94.0	97.4	95.8	97.2	97.2
A28	Growth Maison Gotanda	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
A29	Growth Maison Kameido	95.4	97.0	95.5	92.4	92.4	93.9	92.4	95.4	92.4	94.0	94.0
A30	Emerald House	100.0	97.9	100.0	96.9	98.9	97.9	97.9	95.8	95.8	95.8	96.8
A31	Harmonie Ochanomizu	88.3	90.8	100.0	100.0	97.5	92.3	97.5	96.1	97.4	100.0	97.4
A32	Suncrest Shakujii-Koen	97.4	97.0	84.3	94.0	94.7	94.7	94.7	94.7	94.7	100.0	100.0
A33	Growth Maison Shin-Yokohama	97.0	97.2	89.7	94.2	97.1	91.3	87.0	88.4	89.9	88.4	95.5
A34	Belle Face Ueno-Okachimachi	100.0	100.0	98.3	95.2	90.6	90.6	89.0	89.0	89.0	89.0	87.5
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	88.1	97.6	97.6	100.0	95.2	90.4	90.4	92.8	95.3	97.6	97.6
A37	Growth Maison Yoga	94.9	94.8	97.5	94.8	92.4	89.8	92.4	97.5	94.9	94.9	97.4
A38	Route Tachikawa	96.6	96.6	93.2	100.0	89.8	86.4	89.8	89.8	96.6	100.0	100.0
A39	Shibuya-Honmachi Mansion	89.9	96.4	95.9	91.9	100.0	100.0	86.7	91.3	95.5	93.4	91.3
A40	City Heights Kinuta	94.6	89.2	100.0	94.6	89.2	89.2	89.2	83.8	83.8	94.6	94.6
A41	Acseeds Tower Kawaguchi-Namiki	100.0	86.0	94.8	89.4	98.3	94.8	93.0	93.0	98.3	98.3	96.5
A42	Capital Heights Kagurazaka	94.4	97.2	97.2	97.2	83.4	91.0	100.0	100.0	100.0	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	96.0	96.1	92.1	92.0	87.9	96.0	83.9	87.9	91.9	92.1
A45	Wacore Tsunashima I	98.0	91.9	98.0	89.9	92.1	92.1	92.1	92.1	94.1	94.1	94.1
A46	Foros Nakamurabashi	90.5	100.0	96.2	91.2	97.5	97.5	92.6	95.1	97.5	97.5	97.5
A47	Growth Maison Kaijin	87.3	96.7	97.7	97.4	100.0	100.0	96.7	96.7	100.0	96.7	96.7
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	97.1	98.6	96.1	93.3	92.8	93.9	92.0	94.1	94.6	96.7	96.5
A52	Winbell Kagurazaka	95.4	98.3	98.6	95.5	98.4	96.2	94.6	96.1	97.1	96.0	97.9
A53	Nishiwaseda Crescent Mansion	92.1	97.5	100.0	95.8	100.0	95.4	98.5	98.5	97.3	97.2	98.8
A54	Lexington Square Akebonobashi	93.5	98.8	95.4	96.7	96.6	95.5	94.5	91.2	95.7	97.9	96.5
A56	Casa Eremitaggio	84.2	100.0	100.0	96.7	94.0	94.0	94.0	100.0	100.0	100.0	-
A59	Towa City Coop Shinotsuka II	96.3	96.4	97.6	96.3	91.4	95.0	91.4	97.6	97.6	98.8	98.8
A61	Bichsel Musashiseki	98.5	97.1	95.7	91.5	95.7	94.3	94.3	97.1	98.6	97.2	94.4
A62	Lexel Mansion Ueno Matsugaya	100.0	100.0	100.0	96.4	92.7	96.3	92.7	92.7	96.3	96.3	-
A63	Towa City Coop Sengencho	83.0	93.1	91.1	89.7	83.8	84.4	84.6	84.6	84.6	84.2	84.2
A64	Royal Park Omachi	98.3	98.3	96.7	92.8	98.3	96.7	95.0	98.3	92.5	96.4	94.5
A65	Lexington Square Haginomachi	92.4	92.6	100.0	92.1	89.5	86.9	82.6	85.2	92.2	94.8	94.8
A66	Visconti Kakuozan	78.3	86.3	100.0	83.8	88.6	88.6	88.6	88.6	72.5	83.8	83.8
A71	Lexington Square Daitabashi	93.0	90.1	97.2	92.9	92.2	90.8	92.9	95.0	97.9	97.9	100.0
A72	Lexington Square Honjo Azumabashi	91.1	97.0	94.1	96.9	94.0	94.0	91.1	91.1	97.0	100.0	97.0
A73	AMS TOWER Minami 6-Jo	83.3	94.3	87.6	86.1	79.7	78.3	80.8	79.7	83.6	81.9	81.2
A75	Spacia Ebisu	93.6	95.6	91.7	94.0	95.2	95.4	97.5	93.5	95.4	91.2	91.2
A76	Neo Prominence	94.9	96.6	96.2	95.0	91.2	89.5	93.0	96.4	100.0	100.0	100.0
A77	Invoice Shin-Kobe Residence	88.4	94.9	98.2	81.5	91.7	95.0	94.5	96.3	95.4	99.1	100.0
A78	Cosmo Court Motomachi	96.2	96.2	96.3	86.5	95.3	96.5	96.5	98.8	100.0	100.0	98.7

Property No.	Property name	24th fiscal period	25th fiscal period	26th fiscal period	27th fiscal period	28th fiscal period	29th fiscal period					
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A79	Revest Honjin	100.0	98.8	97.5	95.0	92.5	91.3	91.3	88.8	88.8	92.5	91.2
A80	Revest Matsubara	89.5	93.1	88.7	91.8	93.1	93.1	91.9	90.6	90.6	94.4	94.4
A81	Sun Terrace Minami Ikebukuro	97.4	97.4	100.0	97.4	86.8	92.1	94.7	94.7	92.1	94.7	-
A82	Alba Noritake Shinmachi	98.6	91.0	97.2	91.0	87.5	90.3	90.2	91.0	93.7	93.7	93.7
A83	Revest Meieki Minami	100.0	100.0	96.6	93.6	95.4	90.5	90.5	92.1	90.5	90.9	90.9
A84	Revest Heian	92.0	100.0	100.0	88.7	100.0	100.0	95.2	96.8	98.4	95.2	95.2
A85	Vendir Hamaotsu Ekimae	88.4	88.4	95.3	93.4	98.5	96.3	96.3	95.3	93.8	96.2	97.7
A86	Salvo Sala	94.4	98.0	100.0	96.7	95.9	98.5	100.0	100.0	100.0	100.0	100.0
A87	Excellente Kagurazaka	97.1	91.2	97.1	88.3	94.1	97.1	91.2	91.2	91.2	91.2	94.1
A88	Luna Court Edobori	94.0	96.0	96.0	98.0	94.0	94.0	98.0	95.9	93.9	96.0	94.0
A89	Winntage Kobe Motomachi	94.7	85.9	86.0	80.7	85.9	82.4	89.3	90.9	94.9	92.9	94.8
A90	Queen's Court Fukuzumi	100.0	95.9	93.1	96.6	95.9	96.6	96.6	100.0	96.6	96.6	89.7
A91	Corp Higashinotoin	95.7	97.9	90.8	95.2	97.6	100.0	97.6	92.7	95.1	97.6	97.7
A92	Belair Oimachi	96.1	96.4	100.0	92.9	96.1	96.1	89.0	89.0	96.4	96.4	92.9
A93	Siete Minami-Tsukaguchi	92.6	95.0	97.5	97.5	95.0	100.0	95.0	97.5	90.0	90.1	90.1
A94	Prime Life Sannomiya Isogami Koen	93.8	100.0	93.8	87.5	96.9	100.0	96.9	100.0	100.0	100.0	100.0
A95	HERMITAGE NANBA WEST	95.7	91.2	100.0	88.0	100.0	96.0	100.0	100.0	100.0	100.0	100.0
A96	Century Park Shinkawa I-bankan	91.0	91.0	95.4	90.9	88.7	91.0	86.5	88.7	93.2	90.9	95.4
A97	West Avenue	75.0	80.0	85.0	87.5	85.0	80.0	80.0	75.0	77.5	87.5	87.5
A98	Little River Honmachibashi	96.9	100.0	100.0	96.9	87.7	87.7	90.8	90.7	90.7	90.7	90.7
A99	Prime Life Mikage	86.8	100.0	96.7	86.8	96.6	96.6	96.7	96.7	93.4	93.4	96.7
A100	City Court Kitaichijo	—	96.6	95.7	94.8	93.8	97.1	97.2	98.8	98.2	98.2	96.1
A101	Lieto Court Mukojima	—	97.6	96.8	95.3	97.0	97.0	95.0	94.1	95.0	95.1	99.0
A102	Lieto Court Nishi-Ojima	—	100.0	98.0	96.8	99.0	99.0	97.8	97.8	97.8	98.0	99.0
A103	Royal Parks Momozaka	—	—	100.0	100.0	100.0	100.0	89.4	89.9	89.0	92.2	93.6
A104	Royal Parks Shinden	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
A105	Royal Parks Tower Minami-Senju	—	—	—	—	92.7	93.5	93.5	94.5	94.5	94.3	94.1
A106	Royal Parks Seasir Minami-Senju	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	95.7
B08	Kindai Kagakusha Building	90.6	90.6	90.6	90.6	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	—
B14	Lexington Plaza Nishigotanda	100.0	100.0	100.0	91.8	100.0	100.0	100.0	100.0	100.0	100.0	100.0
B15	Cross Square NAKANO	70.8	79.1	84.1	89.1	87.3	90.5	93.7	93.7	93.6	95.2	95.2
B16	Ohki Aoba Building	100.0	100.0	83.6	83.6	88.7	88.7	88.7	88.7	88.7	88.7	88.7
B17	Lexington Plaza Hachiman	100.0	100.0	98.8	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
B18	AEON TOWN Sukagawa	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
C01	Times Kanda-Sudacho 4th	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	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	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	100.0
D06	Hotel MyStays Dojima	100.0	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	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	100.0

Property No.	Property name	24th fiscal period	25th fiscal period	26th fiscal period	27th fiscal period	28th fiscal period	29th fiscal period					
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D09	Hotel MyStays Yokohama	100.0	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	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	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	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	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	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	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	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	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	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	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	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	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	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	100.0	100.0
D24	Hotel MyStays Haneda	—	100.0	100.0	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	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	100.0	100.0
D27	Hotel MyStays Kameido P2	—	100.0	100.0	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	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	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	100.0	100.0
D31	Hotel MyStays Utsunomiya	—	100.0	100.0	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	100.0	100.0
D33	Comfort Hotel Toyama	—	100.0	100.0	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	100.0	100.0
D35	Flexstay Inn Ekoda	—	100.0	100.0	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	100.0	100.0
D37	Super Hotel JR Ueno-iryaguchi	—	100.0	100.0	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	100.0	100.0
D39	Comfort Hotel Kurosaki	—	—	100.0	100.0	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	100.0	100.0
D41	Comfort Hotel Tsubame-Sanjo	—	—	100.0	100.0	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	100.0	100.0
D43	Hotel MyStays Gotanda Station	—	—	100.0	100.0	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	100.0	100.0
D45	Hotel MyStays Fukuoka Tenjin	—	—	100.0	100.0	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	100.0	100.0
D47	Hotel MyStays Premier Kanazawa	—	—	100.0	100.0	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	100.0	100.0
D49	Hotel MyStays Premier Hamamatsucho	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D50	Hotel MyStays Shin Osaka Conference Center	—	—	—	—	—	—	—	—	100.0	100.0	100.0
D51	Hotel MyStays Premier Omori	—	—	—	—	—	—	—	—	100.0	100.0	100.0

Property No.	Property name	24th fiscal period	25th fiscal period	26th fiscal period	27th fiscal period	28th fiscal period	29th fiscal period						
		As of the end of June 2015	As of the end of Dec. 2015	As of the end of June 2016	As of the end of Dec. 2016	As of the end of June 2016	As of the end of Jul. 2017	As of the end of Aug. 2017	As of the end of Sept. 2017	As of the end of Oct. 2017	As of the end of Nov. 2017	As of the end of Dec.2017	
D52	Beppu Kamenoi Hotel	—	—	—	—	—	—	—	—	—	100.0	100.0	100.0
D53	Hotel MyStays Sapporo Station	—	—	—	—	—	—	—	—	—	100.0	100.0	100.0
Total		96.9	98.2	98.5	97.9	97.7	97.7	97.5	97.6	98.1	98.2	98.2	98.2

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