



Invincible Investment Corporation  
**June 2021 Fiscal Period Results**  
(January 1, 2021 to June 30, 2021)

TSE Code : 8963

August 25, 2021

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## Results of June 2021 Fiscal Period

- The government has repeatedly issued and extended the state of emergency and quasi state of emergency ordinances due to the impact from the third wave of COVID-19 since November 2020 and the fourth wave since April 2021. The emergency ordinances are in areas that INV owns a number of hotels, resulting in sluggish occupancy rates due to self-restraint of business and leisure travel
- Amid this environment, the total GOP for the portfolio of 73 domestic properties operated by MyStays Hotel Management Group (MHM), the major tenant of INV, did not reach a sufficient level to meet fixed rent payment obligations this period as set out in the original agreements
- Accordingly, the rent payment from MHM this period was only ¥1.0 billion of fixed rent (approximately 20% of the original agreement) agreed on March 11, 2021, and no variable rent was accrued
- The net loss this period is ¥3,599 million. INV will distribute ¥91 million (¥15 per unit) from retained earnings to avoid non-dividend payments
- The total appraisal value of the 141 properties held at the end of June 2021 was ¥532,550 million, a 0.3 % increase from the December 2020 appraisal

## Financial Condition

- INV refinanced bank loans of ¥11.8 billion in total this period and has never violated any financial covenants since the outbreak of COVID-19 up to the date hereof. In addition, INV refinanced ¥41.6 billion of bank loans in July and August 2021 (of which ¥1.582 billion has a duration of 3 years, and the others are 1 year durations)
- LTV has decreased from 46.8% at the end of June 2020 to 45.6 % as of August 25, 2021 due to the repayment of existing borrowings (total of ¥13.4 billion) using part of the proceeds from the dispositions of properties in December 2020 and July 2021
- INV has ¥8.8 billion in cash on hand at the end of July 2021, which is more than enough to pay interest expenses. INV endeavors to preserve cash and provide flexibility given the uncertainty in the current economic and tourism environment

<p><b>Domestic Hotel Portfolio</b></p>	<ul style="list-style-type: none"> <li>● The entry of non-resident foreigners to Japan has been basically prohibited since December 28, 2020 principally due to new variants of COVID-19 spread abroad, eliminating inbound demand throughout this period</li> <li>● MHM continues to undertake thorough cost reductions amid the Corona crisis. Further, MHM has been able to capture changes in customer demands under the "With Corona" environment, and has utilized its strong corporate sales team and long-standing customer relationships to generate demand from various companies and organizations. The occupancy rates of 73 hotels operated by MHM have been constantly higher than the national average based on a survey by Japan Tourism Agency</li> <li>● The plans for new hotel room supply have been clearly declining since the December 2019 survey was conducted. Hotel and inn operators continue to struggle, with 2020 bankruptcies 1.7 times higher than the previous year and the second largest figure since 2011 when the Great East Japan Earthquake struck. The number of Registered Private Lodging businesses ("Minpaku") has decreased since May 2020 as more operators exit the business</li> </ul>
<p><b>Cayman Hotel Portfolio</b></p>	<ul style="list-style-type: none"> <li>● COVID-19 vaccinations started in early January 2021 in the Cayman Islands, and as of August 20, about 72% of the population have been administered the first vaccination and about 69% are fully vaccinated</li> <li>● The Cayman Islands government announced a phased tourism reopening plan scheduled to begin in September 2021. The country is expected to be completely open to fully vaccinated adults and their children by peak Q4 travel periods (e.g. Thanksgiving and Christmas holidays)</li> <li>● In addition to Sunshine, which resumed operations in October 2020 primarily as an isolation facility for entrants, Westin resumed modified operations from June 9 of this year to capture staycation demand from domestic customers during summer vacation and prepare for the resumption of commercial flights</li> <li>● The expansion plan of Westin is on hold given the global COVID-19 situation and we will evaluate it once there is more clarity on the recovery from the pandemic</li> </ul>
<p><b>Residential/ Commercial Portfolio</b></p>	<ul style="list-style-type: none"> <li>● The residential portfolio occupancy rate recovered to 95.3% this period, from 94.2% in December 2020 mainly due to revisions to the marketing strategy. The NOI of the 54 properties held at the end of this period was ¥1,376 million, similar to the amount in the June 2020 fiscal period, and 1.5% higher than the June 2019 fiscal period, which was not influenced by COVID-19</li> <li>● Secured profits of ¥590 million by selling one retail property, a non-Core Asset, for ¥3,660 million (same amount as appraisal value) in July</li> <li>● The residential and commercial portfolios are expected to maintain stable returns</li> </ul>

Forecast for  
December 2021  
Fiscal Period

- Since July 2021, the state of emergency has been reissued or extended in Tokyo and Okinawa, and the quasi state of emergency has been applied to Saitama, Chiba, Kanagawa, and Osaka, which lead to a ban on spectators at most venues at the Tokyo Olympics
- The aforementioned state of emergency and quasi state of emergency declarations have not contained the spread of new COVID-19 infections and the rise of seriously ill patients nationwide. On July 29, the number of newly confirmed infections in Japan exceeded 10,000 people for the first time, and a state of emergency was issued for Saitama, Chiba, Kanagawa, and Osaka, in addition to Tokyo and Okinawa noted above, from August 2 to the end of August. The number of newly confirmed infections exceeded 20,000 people on August 13 and as of today, 29 out of 47 prefectures are under a state of emergency or quasi state of emergency declaration through September 12
- COVID-19 vaccinations started on February 17, 2021 in Japan. Approximately 50% of the population received the first vaccination and approximately 40% completed the second vaccination as of August 22. In the U.S., RevPAR continues to improve even though the number of new infections has increased from late June, thanks to widespread vaccinations
- The occupancy rate and RevPAR for the 75 domestic hotels exceeded the levels of April to July of the same month of the previous year. Domestic travel demand is expected to gradually recover with the progress of vaccinations of people 50 years old and under, which currently account for the majority of new infections, the eventual reduced strain on the healthcare system, and the lifting of emergency declarations
- However, the timing related to the containment of COVID-19 remains uncertain because we continue to face record-breaking numbers of newly confirmed infections and serious cases, causing a more severe strain on the health care system in July and August. Therefore, December 2021 fiscal period performance forecasts are undetermined as it is extremely difficult to make a reasonable forecast at this time
- Under the ongoing uncertainty and challenging environment for the hotel business, some level of fixed rent payment waivers by MHM from July 2021 will be required but has not been determined yet, and we expect to conclude and announce the agreement by the middle of September

# II. Summary of June 2021 FP Results

## II-1. Financial Highlights

- The rent payment from MHM this period was only ¥1.0 billion of fixed rent (approximately 20% of the original agreement) agreed on March 11, 2021, and no variable rent was accrued
- The net loss this period is ¥3,599 million. INV will distribute ¥91 million (¥15 per unit) from retained earnings to avoid non-dividend payments

	December 2020 FP	June 2021 FP	Variance		
			Amount	(%)	
Operating revenue	8,340	3,806	-4,534	-54.4%	<p style="text-align: right;">(¥ million)</p> <p><b>Major Causes for Variance</b></p> <p><b>Operating revenue</b></p> <ul style="list-style-type: none"> <li>✓ Increase/decrease in rental revenue of existing portfolio : -1,618 (Decrease in Hotel Rents (Variable rent): -1,067) (Decrease in Hotel Rents (Fixed rent): -606) (Increase in Residential Rents: +24)</li> <li>✓ Decrease in rental revenue by disposition in previous fiscal period : -313</li> <li>✓ Variance of gain on sale: -2,602</li> </ul> <p><b>Operating expenses</b></p> <ul style="list-style-type: none"> <li>✓ Decrease in cost by disposition in previous fiscal period : -139</li> <li>✓ Decrease expenses for existing portfolio: -184 (Decrease in depreciation expenses : -40)</li> <li>✓ Decrease in management contract expenses : -98</li> </ul> <p><b>Non-operating expenses</b></p> <ul style="list-style-type: none"> <li>✓ Debt cost: +35</li> <li>✓ Interest cost: -31</li> <li>✓ Foreign exchange losses: +35</li> <li>✓ Loss of derivatives : +65</li> </ul> <p><b>Distribution per Unit (¥)</b></p> <ul style="list-style-type: none"> <li>✓ Decrease in net income per unit: -693</li> <li>✓ Decrease in use of retained earnings per unit: -50</li> </ul>
Real estate rental revenues	5,738	3,806	-1,932	-33.7%	
Hotel Rents (Variable rent)	1,105	37	-1,067	-96.6%	
Hotel Rents (Fixed rent)	2,152	1,546	-606	-28.2%	
Residential Rents	1,980	1,697	-282	-14.3%	
Management contract revenue	-	-	-	-	
TMK Dividend amount	-	-	-	-	
Gain on sale of properties	2,602	-	-2,602	-100.0%	
Operating expenses	6,649	6,147	-502	-7.6%	
Real estate rental expenses	5,044	4,720	-323	-6.4%	
Taxes and other public charges	779	603	-175	-22.6%	
Depreciation expenses	3,564	3,460	-103	-2.9%	
Management contract expenses	983	884	-98	-10.0%	
Depreciation expenses	428	429	0	0.1%	
NOI	3,703	2,090	-1,612	-43.6%	
NOI after depreciation	-289	-1,799	-1,509	521.4%	
Operating income (loss)	1,690	-2,341	-4,032	-238.5%	
Non-operating income	99	8	-90	-91.5%	
Non-operating expenses	1,165	1,266	100	8.6%	
Ordinary income (loss)	624	-3,599	-4,223	-676.5%	
Net income (loss)	623	-3,599	-4,223	-677.1%	
Distribution per Unit (¥)	167	15	-152	-91.0%	
Operating Days	184	181	-	-	

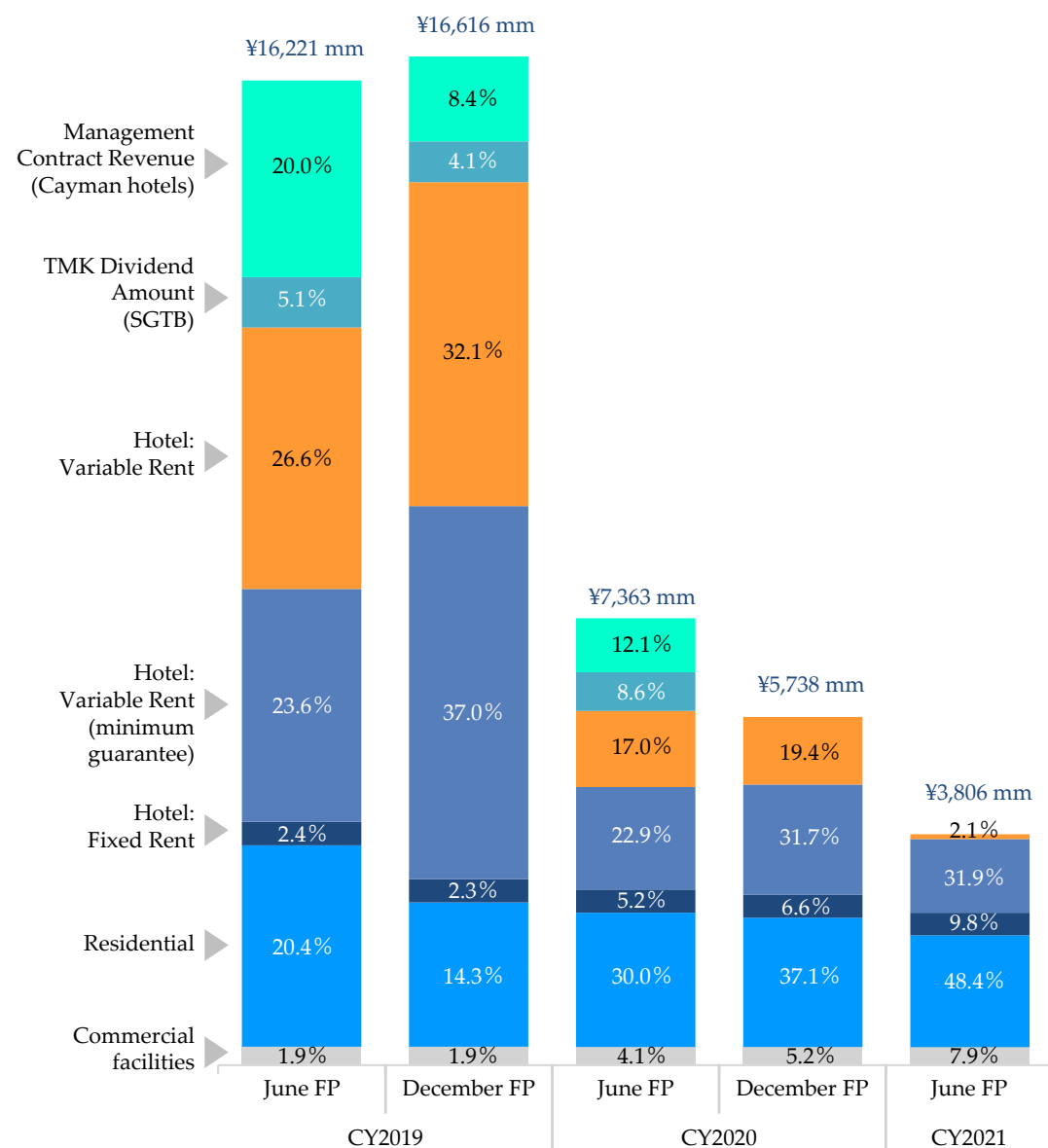
## II-2. Operating Revenue Composition

The ratio of operating revenue from the residential and commercial portfolios in this fiscal period has increased to 56.3% of the total, as operating revenue from hotels continued to decrease significantly due to COVID-19 as in the previous fiscal period

### Portfolio Composition by Operating Revenue<sup>1</sup>

(¥ million)

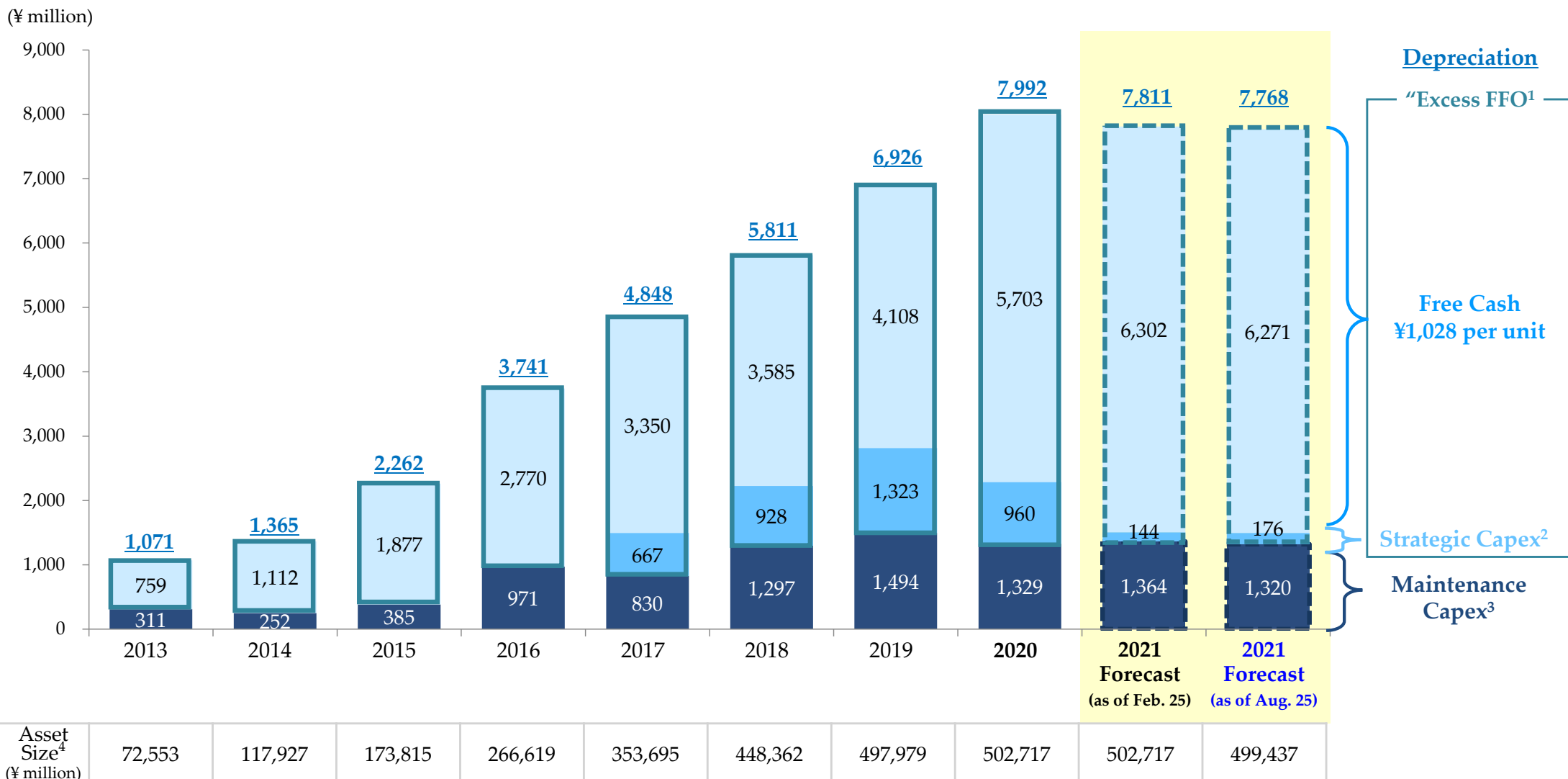
	CY2019				CY2020				CY2021	
	June FP		December FP		June FP		December FP		June FP	
Management Contract Revenue <sup>2</sup> (Cayman hotels)	3,240	20.0%	1,397	8.4%	890	12.1%	0	0.0%	0	0.0%
TMK Dividend Amount (SGTB)	827	5.1%	673	4.1%	634	8.6%	0	0.0%	0	0.0%
Hotel										
Variable Rent	4,307	26.6%	5,332	32.1%	1,255	17.0%	1,113	19.4%	79	2.1%
Variable Rent (minimum guarantee)	3,834	23.6%	6,144	37.0%	1,689	22.9%	1,818	31.7%	1,212	31.9%
Fixed Rent	388	2.4%	386	2.3%	381	5.2%	376	6.6%	374	9.8%
Residential	3,316	20.4%	2,374	14.3%	2,211	30.0%	2,130	37.1%	1,840	48.4%
Commercial properties	306	1.9%	307	1.9%	301	4.1%	300	5.2%	299	7.9%
<b>Total</b>	<b>16,221</b>	<b>100.0%</b>	<b>16,616</b>	<b>100.0%</b>	<b>7,363</b>	<b>100.0%</b>	<b>5,738</b>	<b>100.0%</b>	<b>3,806</b>	<b>100.0%</b>



(Note 1) Based on the properties owned by INV during each fiscal period respectively. The gain on sale is excluded  
(Note 2) The figure for June 2019 FP includes the amount of TK dividends INV gained for the fiscal period before INV owned Cayman hotels directly

## II-3. Capital Expenditures and Depreciation

- Depreciation in 2021 is expected to decline slightly compared to the original forecast due to the sale of 1 property in July 2021
- INV has carefully examined the capex budget for 2021 on a property by property basis and will prudently manage the spending to preserve cash while implementing necessary capex investments



(Note 1) Excess FFO is defined as the amount of depreciation minus maintenance CAPEX. The same shall apply hereafter

(Note 2) Strategic capital investment for renovation including guest rooms, banquet rooms, restaurant and others in order to improve the competitiveness / profitability of the hotels

(Note 3) Capital investment which is required to maintain proper values of properties and capital investment for fixtures and furnishings that are necessary for operating hotels

(Note 4) Based on the acquisition price as of the end of the relevant year. After 2017, includes the amount of preferred equity interest contribution by INV to the JV TMK that holds Sheraton Grande Tokyo Bay Hotel (SGTB). The acquisition price of overseas hotels (i) is the amount of TK investment to the SPC which held the leasehold of properties for "2018" and (ii) is the book value of the hotels as of May 9, 2019 for "2019" onward, which are converted into JPY amount via the forward exchange rate of USD 1=JPY 110.45 based on the foreign exchange forward implemented in connection with the original TK investment in the Cayman SPC (contract thereof was entered into on July 26, 2018 and implemented on September 26, 2018)



# III. Status of Hotel Operations and Market

## III-1. Hotel KPI's and NOI

The extended duration of the COVID-19 pandemic significantly impacted the performance of INV's hotels in Japan and Cayman this fiscal period as well as the previous fiscal period

Area	KPI		June 2019 FP Actual	June 2020 FP Actual	June 2021 FP Actual	Variance	
						vs The same period in 2019	vs The same period in 2020
Domestic hotels <sup>1</sup>	ADR	(¥)	10,109	7,229	6,940	-31.4%	-4.0%
	Occupancy	(%)	86.8	48.1	35.6	-51.2pt	-12.5pt
	RevPAR	(¥)	8,772	3,478	2,472	-71.8%	-28.9%
	GOP <sup>2</sup>	(¥ million)	11,572	414	655	-94.3%	58.1%
Overseas hotels <sup>3</sup>	ADR	(¥)	45,725	53,598	17,773	-61.1%	-66.8%
	Occupancy	(%)	89.3	37.5	7.9	-81.4pt	-29.7pt
	RevPAR	(¥)	40,831	20,124	1,401	-96.6%	-93.0%
	GOP	(¥ million)	2,934	935	-313	-110.7%	-133.5%
NOI <sup>4,5</sup>		(¥ million)	13,619	1,599	139	-99.0%	-91.3%

(Note 1) Simulated KPI based on 75 hotel properties; of the 84 domestic hotel properties (including Sheraton Grande Tokyo Bay Hotel, the underlying asset of preferred equity interest held by INV) owned as of June 30, 2021, 9 hotels with fixed-rent lease agreements are excluded, assuming all properties were owned since the beginning of 2019. The performance for the pre-acquisition period, which is based on actual results provided by sellers with certain adjustments assuming INV owned them, are subject to change caused by the adjustments based on differences in accounting treatments, since it is difficult to adjust them due to the timing even if the figures are based on actual performance. In calculating the GOP, added the 49% of GOP for Sheraton Grande Tokyo Bay Hotel, which means INV's pro rata portion of the amount of JV TMK's preferred equity owned by INV. The rent paid for APA Hotel Yokohama-Kannai, is regarded as GOP of the hotel

(Note 2) GOP for each fiscal period ended June 2020 and onwards includes the amount of employment adjustment subsidies to be received by the hotel operators for the respective fiscal period, which requires a certain period of time to confirm. Therefore, the amount of GOP is subject to change retroactively upon confirmation of the amount of employment adjustment subsidies. Moreover, if variable rent is accrued due to changes in GOP arising from revision of the employment adjustment subsidies, we will discuss with the tenant separately regarding the handling of such variable rent

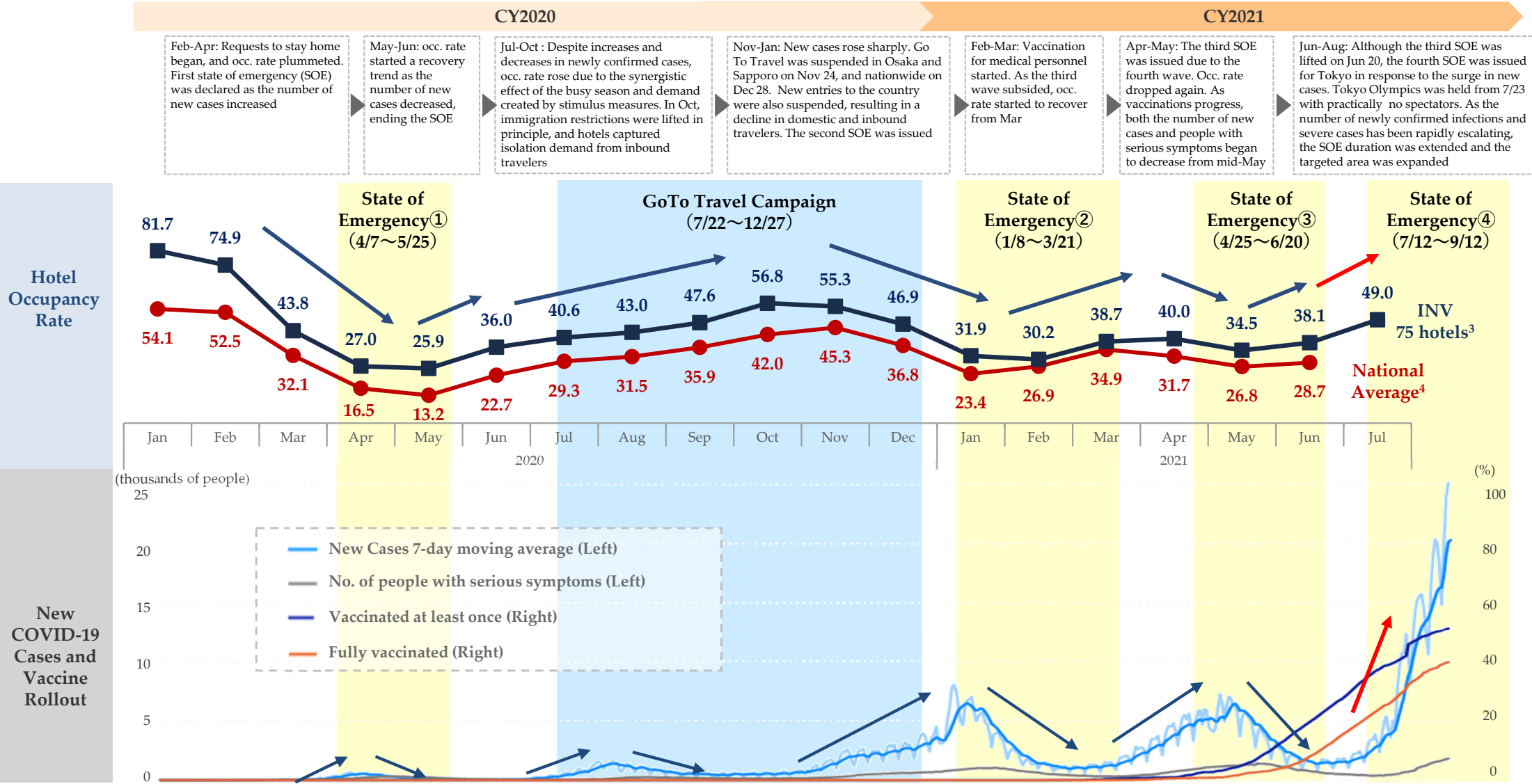
(Note 3) Simulated KPI based on 2 overseas hotels owned as of June 30, 2021, assuming INV owned both properties directly since the beginning of 2019. Calculated at the exchange rate of US\$1 to ¥110. The performance for the pre-acquisition period, which is based on actual results provided by sellers with certain adjustments assuming INV owned them, are subject to change caused by the adjustments based on differences in accounting treatments, since it is difficult to adjust them due to the timing even if the figures are based on actual performance

(Note 4) Simulated NOI based on 77 hotel properties; of the 86 hotel properties (including Sheraton Grande Tokyo Bay Hotel, the underlying asset of preferred equity interest held by INV) owned as of June 30, 2021, 9 hotels with fixed-rent lease agreements are excluded, assuming all properties including overseas properties were owned since the beginning of 2019. The dividends from preferred equity interest of TMK that owns SGTB is applied to NOI of SGTB, assuming these dividends contributed 2019 full year of INV. Calculated at the exchange rate of US\$1 to ¥110 for NOI of overseas hotels

(Note 5) For the period prior to acquisition, using data from seller and adjusted to reflect trust fees and insurance premiums that would have been incurred had the property been held by INV since the beginning of 2019. Simulated figures are subject to change caused by the adjustments based on differences in accounting treatments, since it is difficult to adjust them due to the timing even if the figures are based on actual performance

# III-2. COVID-19 Situation in Japan and Changes in INV's Hotel Occupancy Rate

- The occupancy rate of INV's portfolio has outperformed the national average and had an inverse correlation with the number of newly confirmed COVID-19 cases after the start of pandemic. As vaccinations progressed, the occupancy rate in July improved while the number of new cases increased, while it is uncertain if this trend will continue
- Vaccine rollout started on February 17, 2021 for medical personnel, on April 12 for elderly, and on June 21 for workplaces. As of August 22, 52.3% of the population received the first dose and 40.7% received the second dose<sup>2</sup>

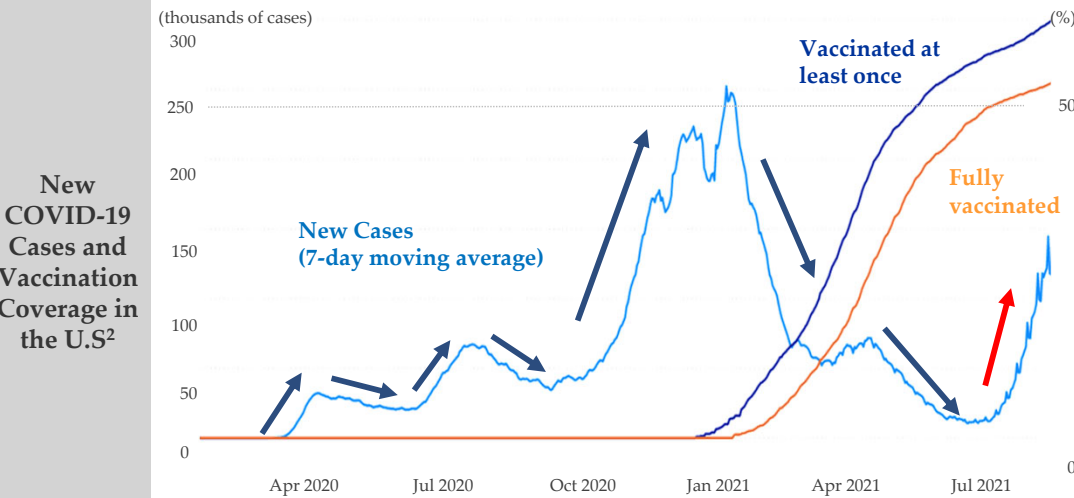
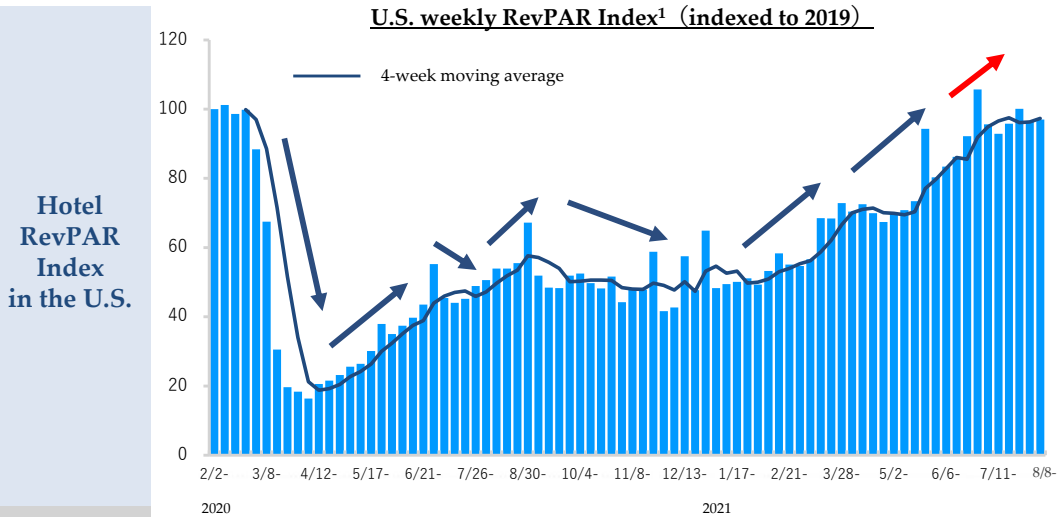


(Note 1) Each period of state of emergency ① through ④ shows the period during which Tokyo was under a State of Emergency  
 (Note 2) Based on the data disclosed by the government on August 23, 2021  
 (Note 3) Simulated KPI based on 75 hotel properties; of the 84 domestic hotel properties (including Sheraton Grande Tokyo Bay Hotel, the underlying asset of preferred equity interest held by INV) owned as of June 30, 2021, 9 hotels with fixed-rent lease agreements are excluded, assuming all properties were owned since the beginning of 2019. The performance for the pre-acquisition period, which is based on actual results provided by sellers with certain adjustments assuming INV owned them, are subject to change caused by the adjustments based on differences in accounting treatments, since it is difficult to adjust them due to the timing even if the figures are based on actual performance.  
 (Note 4) Source: MLIT The figures for June 2021 are the first preliminary figures and may change in the future

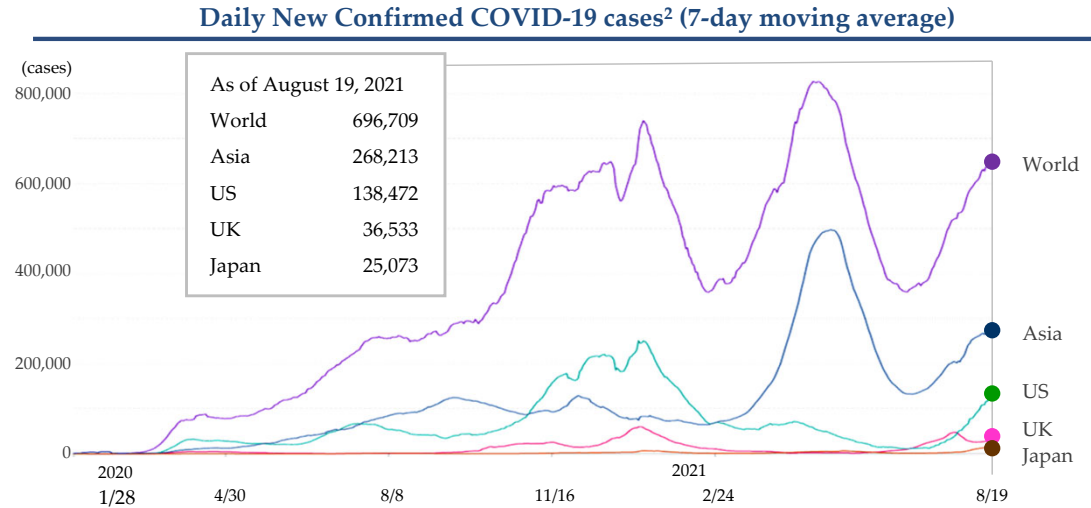
# III-3. COVID-19 Worldwide Situation

- Prior to the dissemination of the vaccine, the number of new infections and RevPAR basically showed an inverse correlation in the U.S. However, RevPAR has continued to improve even though the number of new infections has increased since June 20, when about 53% of the population was vaccinated at least once and about 45% of the population are fully vaccinated
- The people vaccinated at least once have a stronger desire to travel overseas based on a consumer sentiment survey by Tripadvisor

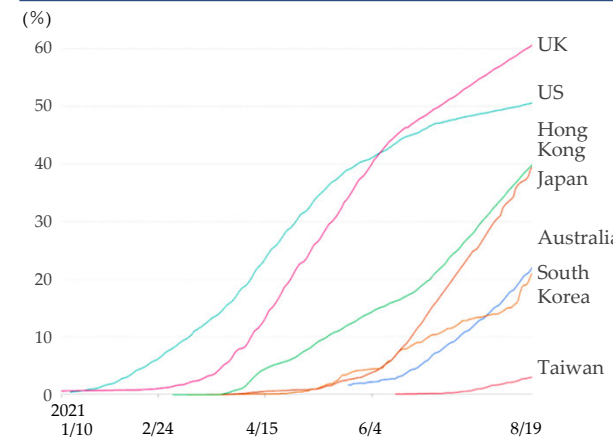
## New COVID-19 Cases, Vaccination Coverage and Hotel KPI in the U.S.



## New COVID-19 Cases and Vaccination Coverage Worldwide

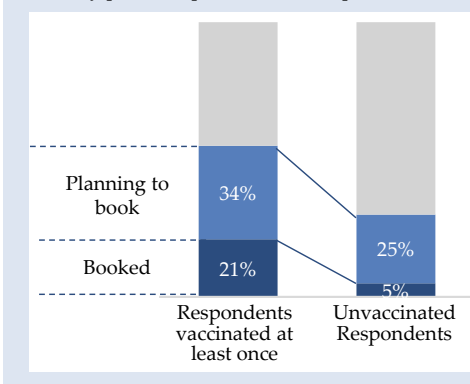


## Share of Population Fully Vaccinated in Major Countries<sup>2</sup>



## Consumer Sentiment Survey (n=2,431)

Result of survey for overseas traveler trends in 2021<sup>3</sup>  
(Survey period: April 23, 2021 to April 30, 2021)



(Note 1) Source: STR  
(Note 2) Source: Our World in Data  
(Note 3) Travel intention survey conducted by Tripadvisor in six markets: the United States, the United Kingdom, Australia, Italy, Japan, and Singapore

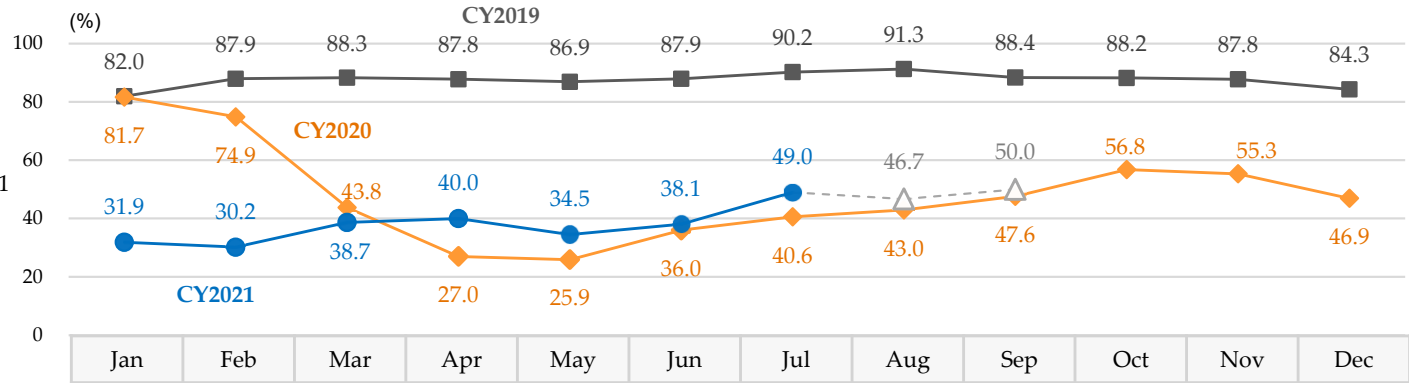
# III-4. Preliminary Forecast of Hotel Occupancy for INV Hotel Portfolio (December 2021 Fiscal Period)

- The occupancy rate and RevPAR for the 75 domestic hotels exceeded the levels of April to July of the same month of the previous year. Domestic travel demand is expected to gradually recover with the progress of vaccinations of people 50 years old and under, which currently account for the majority of new infections, the eventual reduced strain on the healthcare system, and the lifting of emergency declarations
- However, the timing related to the containment of COVID-19 remains uncertain because we continue to face record-breaking numbers of newly confirmed infections and serious cases, causing a more severe strain on the health care system in July and August. Therefore, December 2021 fiscal period performance forecasts are undetermined as it is extremely difficult to make a reasonable forecast at this time

## Change in Hotel Occupancy (75 Domestic Hotels<sup>1</sup>)

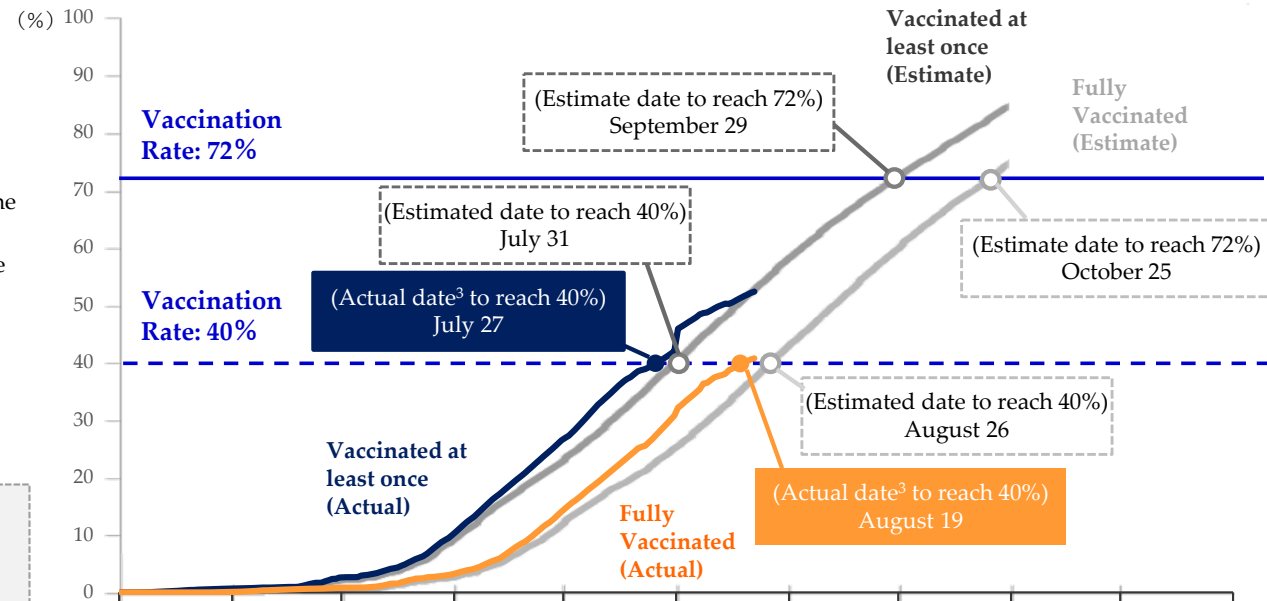
January 2019 – July 2021: Actual

August- September 2021: Preliminary Forecast as of August 19, 2021



## Actual Vaccination Coverage and Future Forecast

- Nomura Research Institute (NRI) forecasted the day when the population vaccinated at least once and fully vaccinated would reach 40% and 72% respectively in Japan<sup>2</sup> (※)
- “40%” is the vaccination rate that NRI has seen desirable changes in COVID-19 infection status in Israel, the United Kingdom and the United States, which are advanced nations of vaccination. “72%” is the figure calculated by multiplying the population for the target of vaccination, people aged 12 and over (90%), by the estimated vaccination rate (80%) referring to the actual case in Israel, which is the figure that NRI assumes as the level where all people who wish to have vaccination would be vaccinated in Japan
- NRI forecasted the population rate vaccinated at least once would reach 72% on September 29, 2021, and that fully vaccinated will reach 72% on October 25, 2021
- As of August 22, 2021, the actual rate<sup>3</sup> is slightly higher than the estimate



Source: Ministry of Health, Labor and Welfare, the Prime Minister of Japan and His Cabinet, Ministry of Internal Affairs and Communications, and Nomura Research Institute

※Premises (Based on the most accurate scenario as of the end of July 2021)

- Figures until June 24, 2021 are actual
- Assumed 1 million doses per day after June 25, 2021
- In addition to the above, assumed to administer 33 million doses (vaccination for 16.5 million persons) at workplace inoculation from June 21, 2021 to October 31, 2021

(Note 1) Simulated KPI based on 75 hotel properties; of the 84 domestic hotel properties (including Sheraton Grande Tokyo Bay Hotel, the underlying asset of preferred equity interest held by INV) owned as of June 30, 2021, 9 hotels with fixed-rent lease agreements are excluded, assuming all properties were owned since the beginning of 2019. The performance for the pre-acquisition period, which is based on actual results provided by sellers with certain adjustments assuming INV owned them, are subject to change caused by the adjustments based on differences in accounting treatments, since it is difficult to adjust them due to the timing even if the figures are based on actual performance

(Note 2) Based on the report by Nomura Research Institute disclosed on June 30, 2021

(Note 3) Based on the data disclosed by the government on August 23, 2021

# III-5. Initiatives by MHM amid COVID-19

MHM has continued endeavors to improve performance of hotels amid COVID-19 by formulating thoughtful plans that appeal to diversifying customers' demand, capturing new demand, and undertaking thorough cost reductions. Many of them are expected to be continued after the containment of COVID-19

## Initiatives by MHM and June 2021 Fiscal Period Results

## Next Steps

### Avoiding the 3C's

- ✓ Buffet's safe operation
- ✓ Meeting and banquet plans to avoid the 3C's, Plan to deliver dinner to room, etc.
- ✓ Introduced operations to reduce contact between guests (group check-in, meals served in room by meal boxes, etc.)



Will determine required plans / actions to optimize safety and comfort of customers by closely watching the influence of COVID-19

### Acceptance of Self-quarantine Customers

- ✓ Since the national government strictly regulated arrivals from abroad, MHM has strived to capture the accommodation demand associated with the voluntary quarantine period after returning to Japan
- ✓ Approached approximately 3,000 corporations and has captured demand for hotels near airports, as well as hotels in the Tokyo metropolitan area



Will continue to call customers to capture demand as long as self-quarantine demand continues

### Provide a Telework Environment

- ✓ With the increasing demand for telework caused by COVID-19, MHM has started the plans to provide hotel rooms as a comfortable teleworking environment (day-use / a special successive stay with unlimited Wi-Fi)
- ✓ Started since April 2020, the plans are provided at 91 hotels (of which 72 hotels are owned by INV) as of June 30, 2021

Results in 2021 1H (Total of 91 hotels)

Total number of rooms used	83,215 rooms (11.1% <sup>1</sup> )
Total revenues	390,981 thousand (8.9% <sup>1</sup> )
ADR	¥4,698



Intends to evolve telework plans to flexibly capture diversifying customers' demand

### Delivery and Takeout Services

- ✓ Delivery services and takeout menus distributed in neighborhoods have started at MHM's directly managed restaurants since April 2020, and the number of hotels offering the service was gradually increased to 17 hotels as of the end of June 2021 (12 hotels in the INV portfolio)
- ✓ The service has become an important business segment that accounts for about 15% of the revenues at the restaurants of the above 17 hotels from January to June 2021, and MHM is aiming to expand revenues further and utilizing third-party delivery services too



Delivery menu of Hotel Sonia Otaru



Home-meal replacement has become prevalent due to COVID-19 and is anticipated to continue as a popular life-style after the containment of the pandemic. MHM intends to develop this as an important business segment which can benefit from the growing third-party delivery services

### Reducing Operating Expenses for 73 Hotels Owned by INV

- ✓ Worked on reducing fixed costs including labor costs as a top priority : Reduced ¥2,664 million<sup>2</sup> for 2021 1H compared to the same period in 2019
- ✓ Reduced labor costs by 36.1%<sup>2</sup> compared to the same period in 2019 by implementing initiatives such as thorough review of work shift and staffing, multi-tasking, minimization of overtime pay, wage reduction during closure, etc., in addition to using employment adjustment subsidies
- ✓ Reduced fixed costs other than labor cost by 47.7% compared to the same period in 2019 by review or cancellation of various contracts to reduce fixed costs or to change them to be variable costs, reduction of advertising costs, reviewing amenities, etc.



A gradual increase of some costs is expected along with the improvement of hotel demand. However, MHM intends to scrutinize these costs and continue cost restructuring endeavors in order to maximize profits. The effectiveness of revised contracts will continue to be maintained

(Note 1) Percentage of the utilization or the revenues by "Telework Plan" for hotels that implemented the plan in the period above  
(Note 2) Preliminary figures as of the end of July 2021, including the estimated amount of employment adjustment subsidy to be received



## III-6. MHM: Future Outlook and Strategy

- MHM does not anticipate a recovery in inbound demand within 2021. Domestic demand is expected to start recovering for both leisure and business from autumn as vaccinations progress
- From 2022 onwards, both domestic and inbound leisure demand will increase primarily due to Revenge Travel<sup>1</sup>. While business demand is expected to decline due to video conferencing, the importance of real face-to-face meetings will be reaffirmed. New demand is also anticipated due to the reorganization of corporate bases
- An unstable state will continue, in which the infection situation and government policies change from time to time. Therefore, we will implement efforts to maximize profits by flexibly responding to changes

	Domestic Demand		Inbound Demand	
	Leisure	Business	Leisure	Business
<b>Outlook for December 2021 Fiscal Period</b>	<ul style="list-style-type: none"> <li>✓ With an increase in vaccination rate, demand for Revenge Travel<sup>1</sup> is expected to start from autumn</li> </ul>	<ul style="list-style-type: none"> <li>✓ Demand for business trips in some regional core cities is currently recovering. As it has been held back until now, demand is expected to increase by the end of the year</li> </ul>	<ul style="list-style-type: none"> <li>✓ Immigration regulations are not likely to be relaxed within the year</li> </ul>	<ul style="list-style-type: none"> <li>✓ Restrictions on business travel will be gradually eased, and accommodation demand from overseas engineers and trainees, which had been postponed due to immigration restrictions, is expected</li> </ul>
<b>Outlook for 2022 onwards</b>	<ul style="list-style-type: none"> <li>✓ Demand is likely to increase significantly in 2022 due to Revenge Travel<sup>1</sup>. In addition, resumption of large-scale tourism stimulus measures such as the Go To Travel business is expected</li> <li>✓ Later, demand will get back to the pre-pandemic COVID-19 levels</li> </ul>	<ul style="list-style-type: none"> <li>✓ Demand is expected to drop from 2019 levels in the medium to long term due to online meetings and travel budget cuts that have penetrated due to COVID-19</li> <li>✓ Many corporations think that real face-to-face meetings are important, and domestic business trip demand is expected to temporarily recover to the level of 2019</li> </ul>	<ul style="list-style-type: none"> <li>✓ Immigration restrictions will be relaxed from around February 2022. Demand is expected to be in full swing from the cherry blossom season in March, after the Beijing Winter Olympics</li> <li>✓ Later, following the trend of Revenge Travel<sup>1</sup>, inbound demand is expected to increase in 2022. Demand is expected to return to 2019 levels in 2023 or thereafter</li> </ul>	<ul style="list-style-type: none"> <li>✓ Similar to domestic business, it is expected to decrease slightly due to video conferencing</li> <li>✓ As companies move their production bases to the US and Southeast Asia, new demand for manufacturing training for overseas staff is expected</li> </ul>

### Future Strategy

- With rising demand for Revenge Travel<sup>1</sup>, etc., MHM intends to maximize ADR by using a rate strategy based on dynamic pricing<sup>2</sup> for high demand
- Appeal to demand for high-priced products through the lineup of value-added products implemented under the COVID-19 situation (ex: Accommodation with half board meal plan, increase in customer unit price due to sales improvement at shops, expansion of delivery service, etc.)
- Will promote long-stay plans for hotels with relatively low ADR's because such plans are more profitable
- Underweight the OTAs<sup>3</sup> and overweight the direct sales in the sales channel
- Since there is a lot of new supply in metropolitan areas and the recovery in inbound demand is expected to be after 2023, hotels that had a high inbound FIT<sup>4</sup> ratio prior to the COVID-19 pandemic will strive to secure longer stays

(Note 1) People's willingness to travel explodes as a reaction to the restrictions on various behaviors caused by the COVID-19 pandemic

(Note 2) Dynamic pricing (variable price system) is a mechanism that changes product prices frequently. It is used to change the price according to the supply and demand of the product and sell it at an appropriate price. A method of finding the optimal pricing that maximizes profits according to supply and demand

(Note 3) Online Travel Agent. Refers to a travel agency that trades only on the Internet

(Note 4) "Foreign Independent Tour" or "Free Individual (Independent) Traveler" Refers to individual trips that are not group tours or package tours

Sheraton Grande Tokyo Bay Hotel strives to promote new initiatives including collaboration with other industries and cost reductions in order to improve profitability, taking advantage of its unique facilities and brand

## Review of existing business

### Sales promotion with new accommodation plan

- Started "Staycation Plan"<sup>1</sup> in 2020
- Providing "Upgrade Commitment Plan"<sup>2</sup> for standard rooms from April 2021 to stimulate demand during a limited period with low demand
- Results for 1H 2021 by both plans:  
Number of rooms sold: 2,743 rooms, Sales: ¥51.2 million (7.3% of total room revenue)



### Capture demand for MICE and banquets

- SGTB has actively captured demand even in the COVID-19 environment with its strengths such as being easily accessible from Haneda Airport, Narita Airport and Tokyo Station, and having an abundance of facilities such as a renovated banquet halls and fitness center, as well as Marriott's vast international network
- Results for 1H 2021:  
Total number of general banquets: 51, Sales: ¥79.17 million
- Due to the influence of COVID-19, people spend more time at home, which leads to increase their motivation to learn to improve their hobbies and skills. SGTB is trying to capture such a customers' demand by planning events to meet those needs



Shokuiku (food and nutrition education) seminar on June 26, 2021

### Weddings

- As the number of medium and large-scale weddings decrease due to the influence of COVID-19, SGTB secures sales by proposing various options and free combinations
- "Pre-/post-ceremony photoshoot plan"<sup>3</sup>, "wedding by bridal couple only", "with dog wedding (along with dog)", "virtual wedding" and other options are available
- Strengthen PR on Marriott's website. SGTB strives to capture further demand through synergistic effects with real weddings, such as garden weddings



## New Initiatives in the COVID-19 environment

### Delivery and Catering Services

- Started a delivery catering service last year in response to customer needs in the COVID-19 environment
- Results for 1H 2021:  
Number of cases: 6, Sales: ¥1.15 million
- New sales of meal kits for online meetings and parties has started since July 2021



### Collaboration with multiple industries

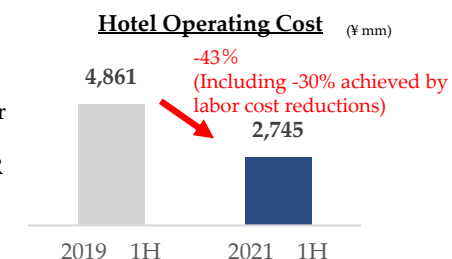
- Discover new demand through collaboration projects with various companies

#### Sheraton Grande Tokyo Bay Hotel

×	×	×
<p><b>Sheraton Waikiki, Hawaii Tourism Board, Hawaiian Airlines</b></p> <p>Held a Hawaiian fair to enjoy the feeling of Hawaii at a resort full of extraordinary feelings</p>	<p><b>Nordisk (Outdoor equipment company)</b></p> <p>Established glamping and camping room in the garden</p>	<p><b>On (Shoes Brand)</b></p> <p>Plan to enjoy lunch and the large communal bath in the hotel after a group run on the coastal promenade</p>

## Reducing Operating Cost

- SGTB strives to reduce labor costs by reducing outsourcing and covering operations by relocating regular employees, etc.
- In 2021, reducing operating expenses other than labor costs without counting employee leave since hotel demand is expected to increase due to reopen of TDR
- Reduced costs for 1H 2021 by 43% compared to the same period in 2019, pre-pandemic (including 30% reduction in labor costs)



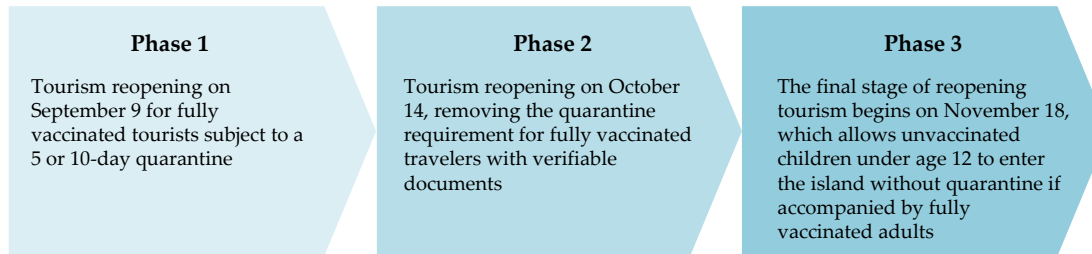
(Note 1) Plans with the following benefits, mainly for high-priced rooms: Free parking and OASIS pass (free entry package of Treasures Island, Maiyu, Fitness, and Indoor pool)  
 (Note 2) Plan for rooms that is cheaper than the staycation plan, which includes the same benefits as above plus selectable gifts, etc. aiming to appeal to price-focused segments  
 (Note 3) Taking a commemorative photo of the bride and groom in a formal dress before or after their wedding ceremony

### III-8. Update of the Status of Cayman

- Sunshine resumed operations in October 2020 after being selected as one of the hotels for the Cayman Island government’s new hire isolation and residential quarantine facilities
- The Westin resumed modified operations in June 2021, targeting local “staycation” business. Since reopening, the Westin has sold 424 room nights generating \$116,539 in rooms revenue
- The Cayman Islands announced a phased tourism reopening plan scheduled to begin in September 2021. The country is expected to be completely open to fully vaccinated adults and their children by peak Q4 travel periods (e.g. Thanksgiving and Christmas holidays)

#### The status of Cayman Islands

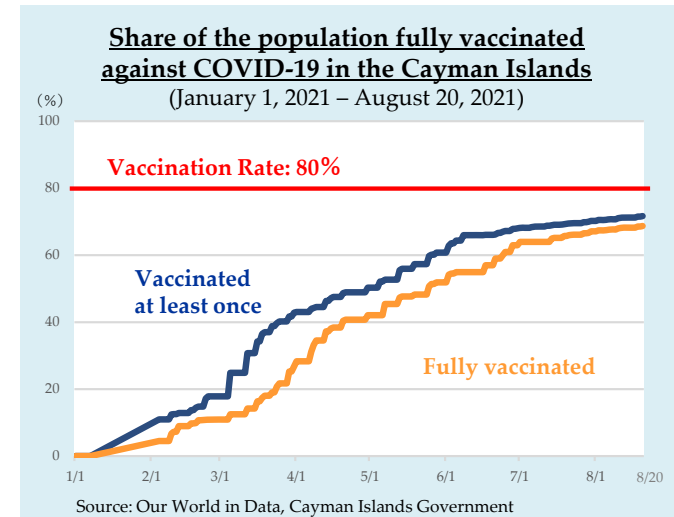
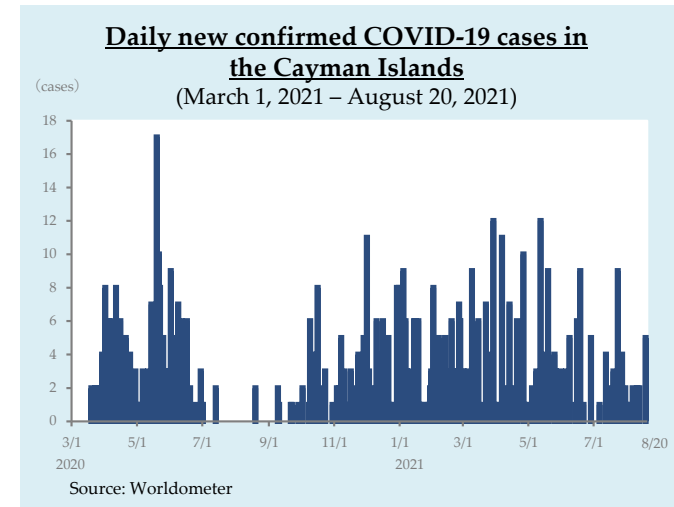
- Owen Roberts International Airport remains closed to general air tourism – only repatriation flights operated by Cayman Airways and British Airways are available to permanent residents, owners of residential property, students with valid visas, and work permit holders
- The Cayman Islands government has announced a tourism reopening plan, subject to an **80% local vaccination rate**, with a start date of September 9, 2021. As of August 20, 2021, 69% of the population has been vaccinated



- The surge in the COVID-19 Delta variant remains a concern that we continue to monitor, particularly in the US, as 80% of guests to Cayman come from the U.S. To date, there have been no indications that the U.S. will impose new travel restrictions

#### The status of Cayman 2 hotels

- Throughout the COVID-19 pandemic, Sunshine has been one of the beneficiaries of the Cayman Island government’s new hire program, providing rooms for isolation/quarantine. Through June 30, 2021 YTD, Sunshine achieved 26.7% Occupancy and generated \$972,933 in revenue
- The Westin re-opened its Cayman Coffee Exchange, Tortuga Grill, WOTO, and Lobby Bar on June 9, 2021, catering to locals
- Plans for the annex development remain on hold as we continue to evaluate the timing and expected recovery of the hospitality market

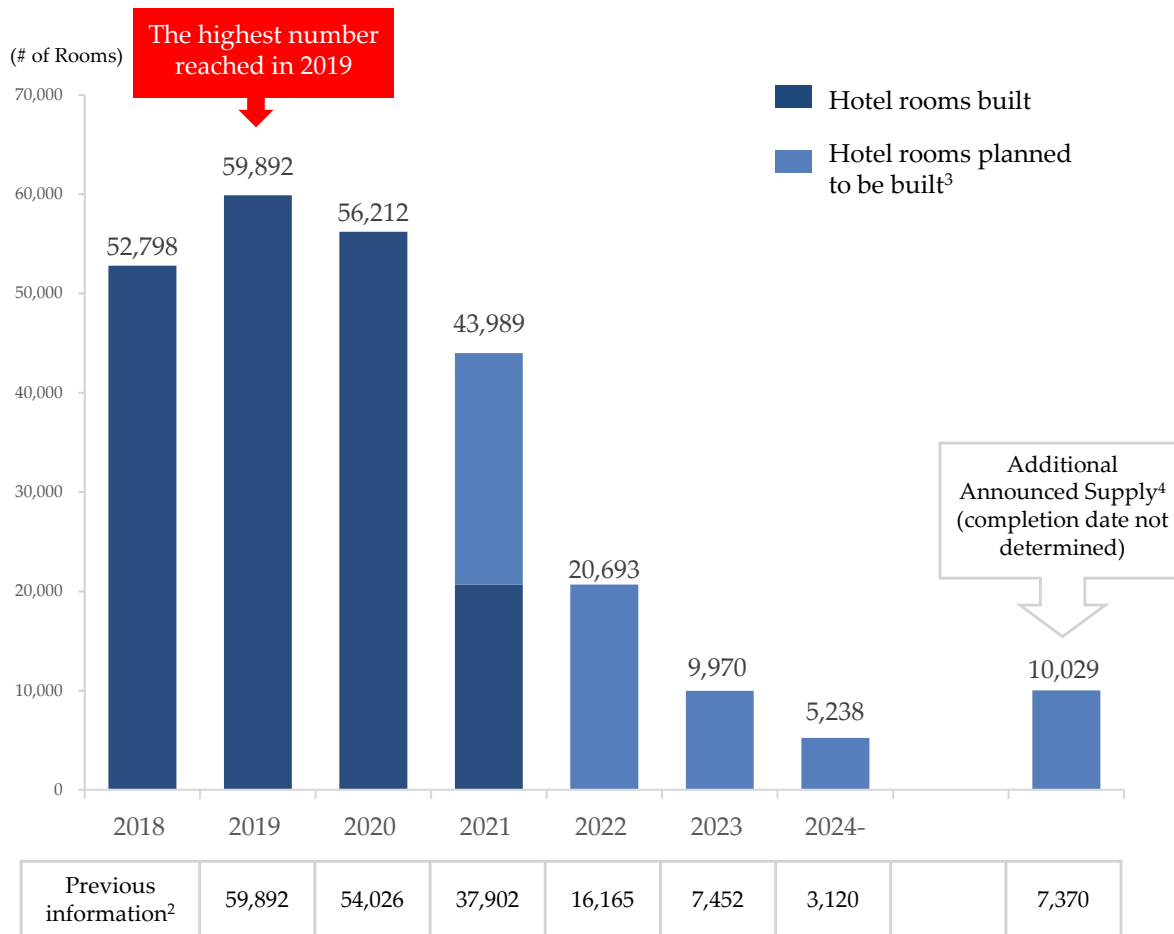




### III-9. Status of New Hotel Development in Japan

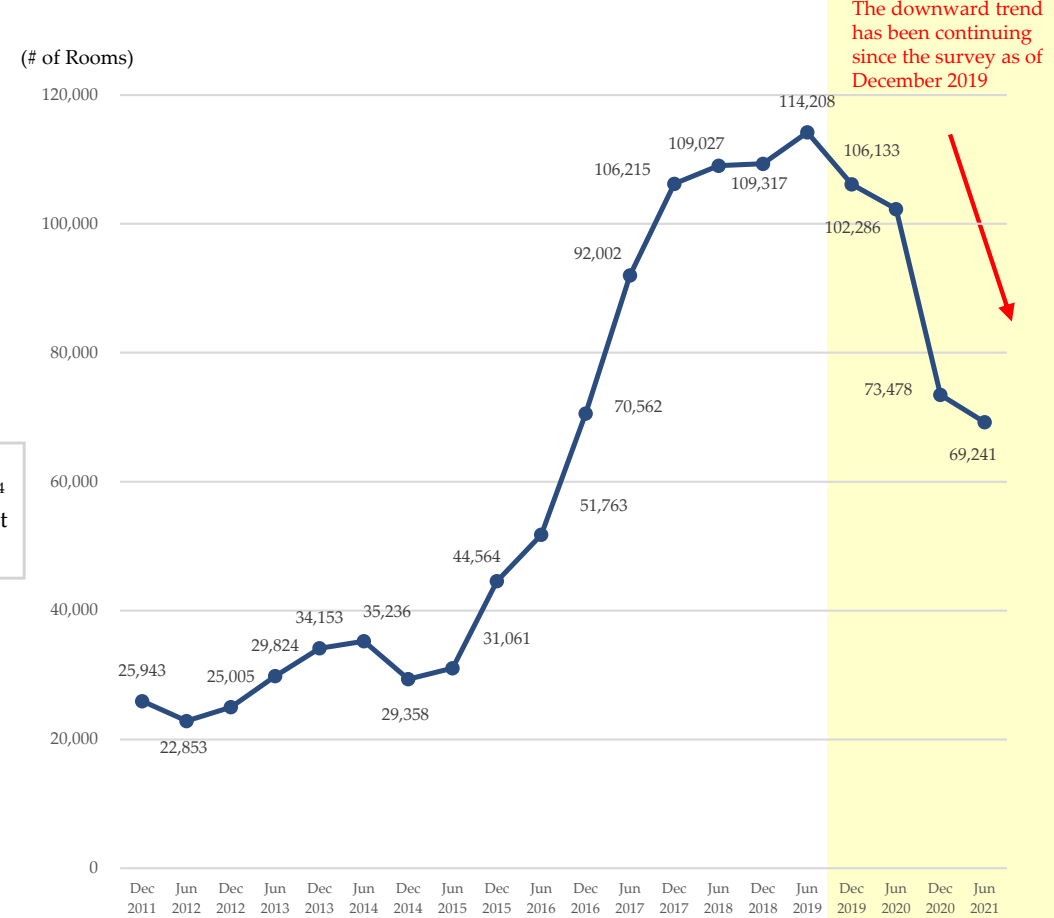
- According to the most recent HOTERES survey<sup>1</sup>, there were plans to develop 471 hotels with a total of 69,241 rooms (as of June 4, 2021), where the downward trend has been continuing since the survey as of December 2019
- The peak of hotel development in Japan came in 2019 as the number of new hotel supply in 2020 was lower than that in 2019
- There is a clear slowdown in the pace of new hotel supply

**The Number of Planned New Hotel Room Supply**



Source: HOTERES survey and official website of each hotel company

**The Change in the Number of Rooms for New Hotel Development<sup>5</sup>**



Source: HOTERES survey

The downward trend has been continuing since the survey as of December 2019

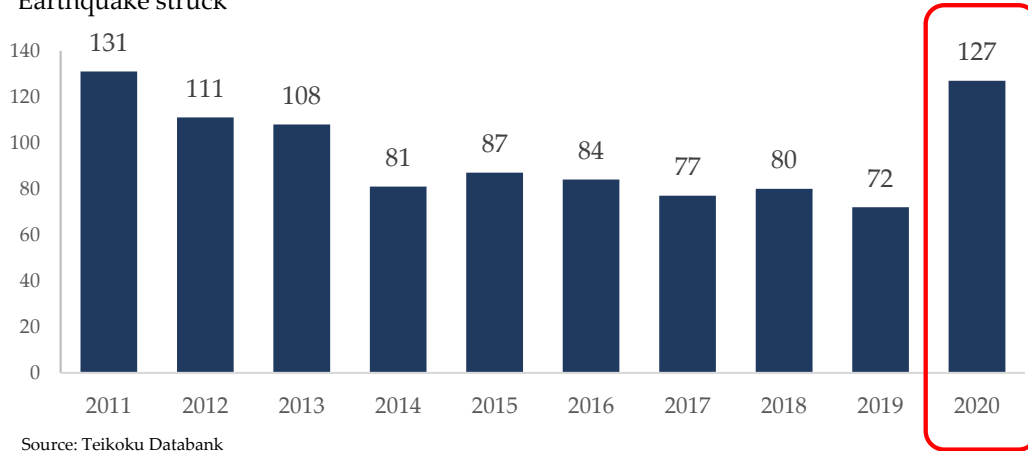
(Note 1) Conducted twice a year in June and December  
 (Note 2) Available information as of December 4, 2020  
 (Note 3) Based on available information as of June 4, 2021. Newly built hotels with more than 40 rooms are included  
 (Note 4) Indicates the number of announced hotel rooms planned to be built but whose completion date is not yet determined as of June 4, 2021  
 (Note 5) Based on the plans confirmed as of each survey by HOTERES  
 (Note 6) Hotel rooms planned to be built shown above is based on the plans of surveyed hotel developers as of December 4, 2020. It is possible that additional development plans have or will be announced subsequent to June 4, 2021 that result in new hotel supply after 2020 being larger than the supply shown above. Accordingly, actual new hotel supply may differ materially from the figures shown above

### III-10. Status of Hotel Stock in Japan

- The number of hotel and inn operator bankruptcies in 2020 was 1.7 times higher than the previous year. Hotel room count declined by approximately 6,000 for reasons other than bankruptcy, of which about 40% were closed due to the effects of COVID-19, and the next most common reason was redevelopment
- The number of Registered Private Lodging businesses (“Minpaku”) has decreased since May 2020

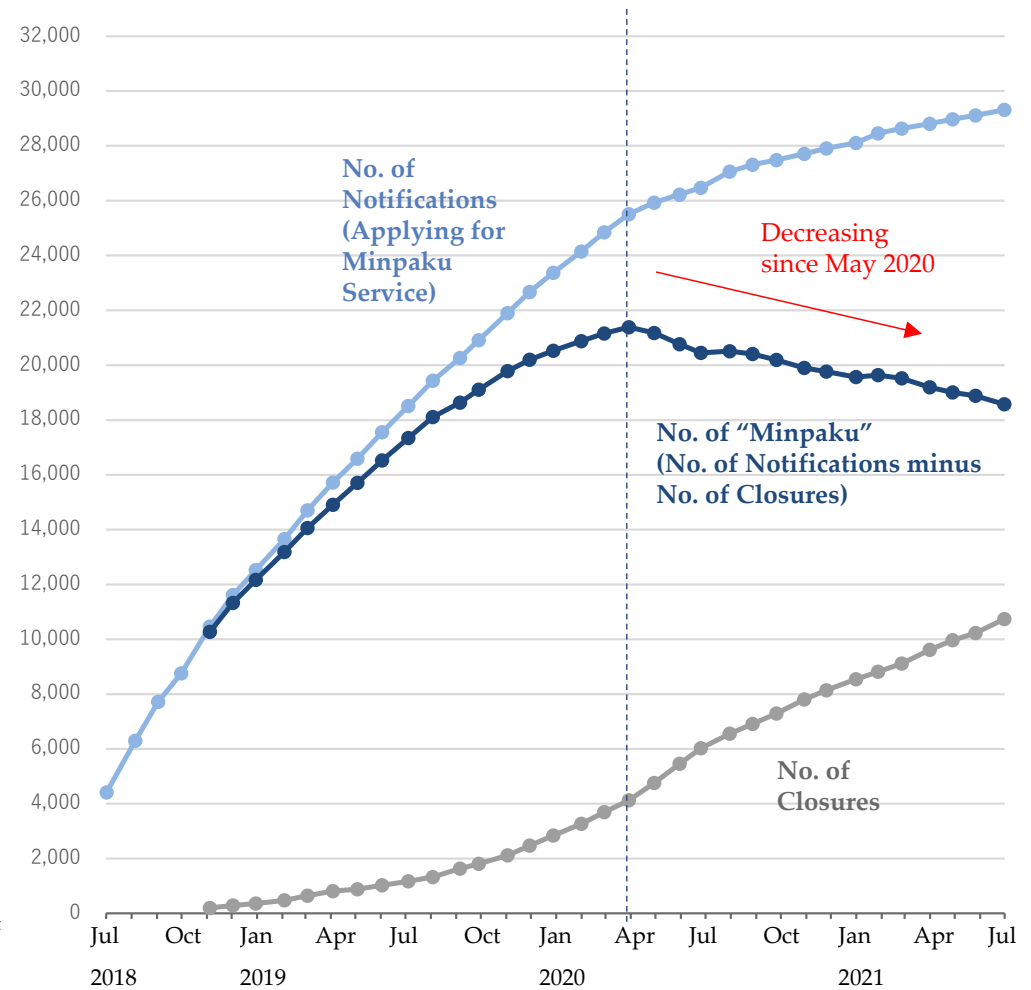
#### Number of Bankruptcies in the Hotel Industry (2011-2020)

Hotel and inn operators continue to struggle, with 2020 bankruptcies 1.7 times higher than the previous year and the second largest figure since 2011 when the Great East Japan Earthquake struck



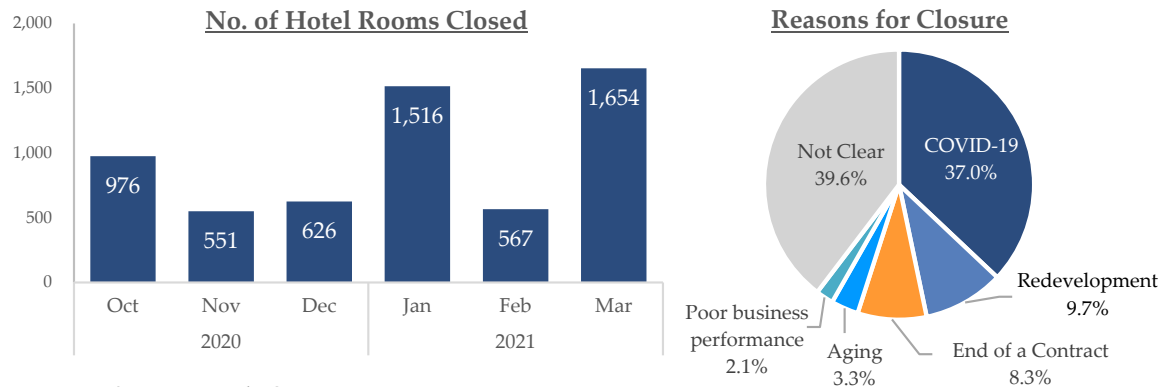
#### The Number of Registered Private Lodging Businesses (“Minpaku”)

No. of Notifications / Closures based on the Private Lodging Business Act<sup>2</sup>



#### No. of Hotel Rooms Closed<sup>1</sup> / Reasons for Closure (October 2020 – March 2021)

In the six months since October 2020, 5,890 hotel rooms were closed. The impact of COVID-19 is the largest reason, followed by redevelopment for those for which as reason for closure was clarified



(Note 1) Major hotels and inns that closed without bankruptcy in the second half of 2020 (excluding hotels that were rebranded after closure)  
(Note 2) A law that stipulates rules regarding minpaku services that came into effect on June 15, 2018 in Japan

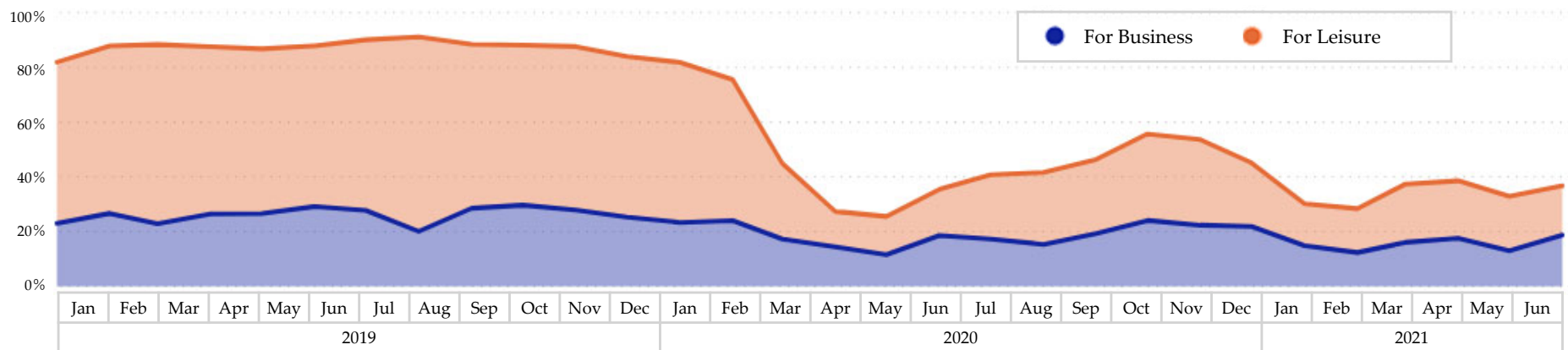
### III-11. Business vs. Leisure Hotel Demand

- Based on certain premises, “Business vs. Leisure” demand was around “30 : 70” in 2019, before the COVID-19 pandemic
- Leisure demand has suffered after the start of pandemic due to the reduction of people flow, repeated state of emergency and quasi state of emergency declarations, as well as the dissipation of inbound demand which mainly consisted of leisure travel
- MHM has successfully captured stable business demand through its strong Corporate Sales team even during the pandemic. The relative share of business demand has increased since March 2020, to around 40-50% of total room sales

**Breakdown of Business / Leisure Demand at MHM Domestic 73 Hotels<sup>1</sup>**

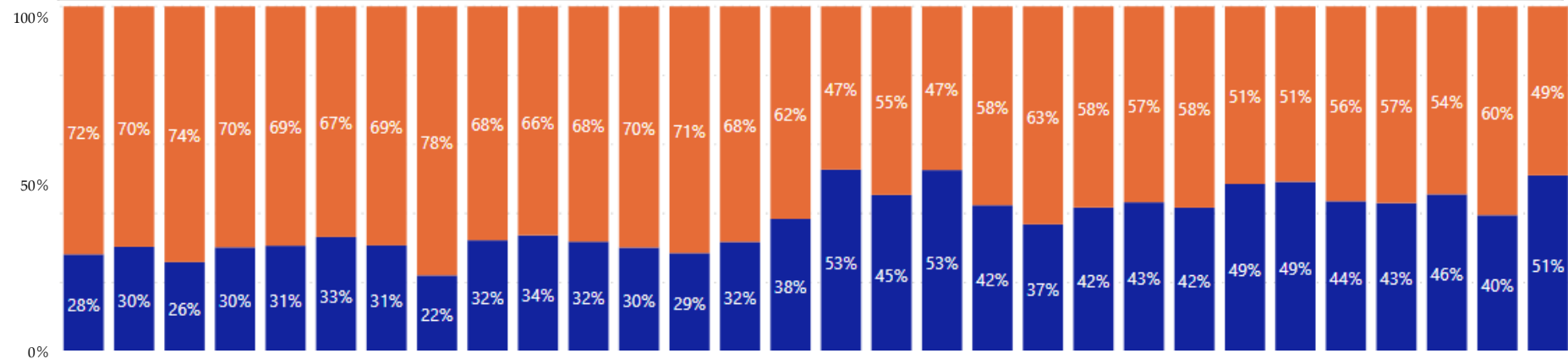
#### Changes in Occupancy Rate by Purpose for Stay

(Stacked area chart)



#### Changes in Ratio of No. of Rooms Sold by Purpose for Stay

(Total number of rooms sold in each month = 100%)



**Premises :**

Assumed the number of rooms sold on the days before Saturday, Sunday, and national holiday is leisure demand. As for other days, assumed the number of rooms sold is leisure demand if DOR\* is larger than 2.0, and if DOR is equal or less than 2.0, assumed the number of rooms sold multiplied by [DOR - 1.0] is leisure demand, while the remaining is assumed to be business demand (based on the assumption that all the rooms are used either by one person or two persons)

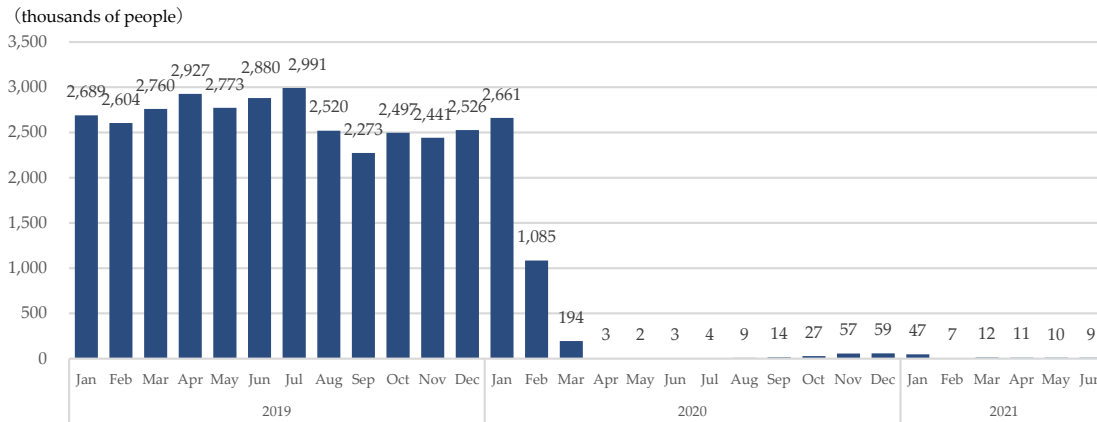
\*Abbreviation of “Double Occupancy Ratio”. It is calculated by dividing the number of staying guest stayed by the number of rooms sold, i.e., an average number of guests per room sold (The same is applied for other pages)

(Note 1) Indicates 73 domestic hotels operated by MHM in INV portfolio as of June 30, 2021

# III-12. Inbound Market

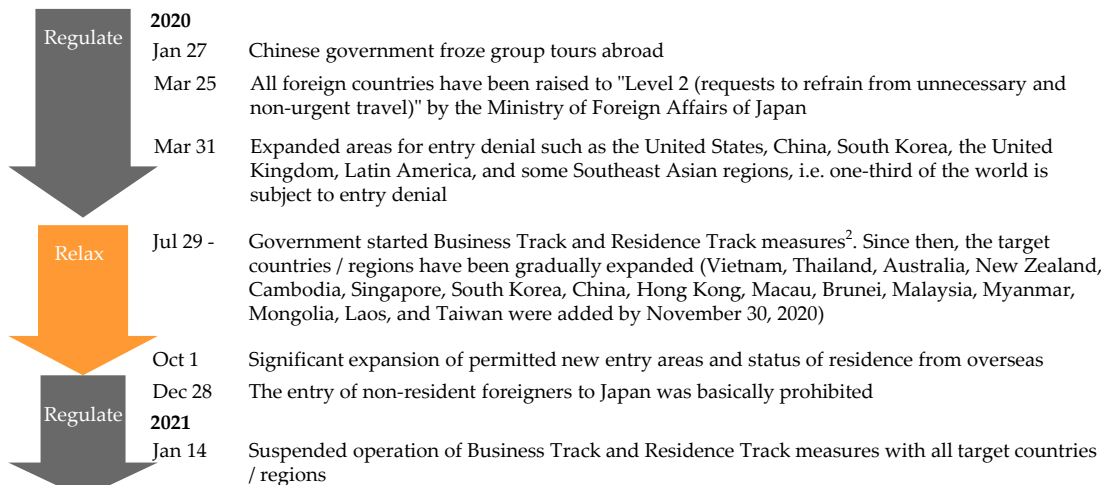
- Inbound demand has reduced drastically. The entry of non-resident foreigners to Japan, which were incrementally permitted in the summer and fall of 2020, has been basically prohibited since December 28, 2020 principally due to new variants of COVID-19 spread abroad, eliminating inbound demand throughout this fiscal period
- According to the survey of foreigners conducted by DBJ · JTBF<sup>1</sup>, the demand for travel abroad after the containment of COVID-19 is increasing, and Japan is the top country people want to visit among people in Asia as well as people in the U.S., Europe, and Australia

## Monthly No. of Inbound Visitors to Japan (January 2019 – June 2021)



Source: JNTO

## Immigration control / deregulation due to the COVID-19 pandemic



\*The events above are referred to the announcements or news releases by the government, media, etc.

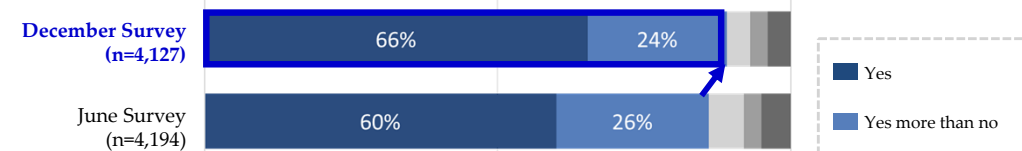
## Survey of Demand for Travel Abroad among Foreigners<sup>1</sup>

Regions covered: South Korea, China (Beijing and Shanghai), Taiwan, Hong Kong, Thailand, Singapore, Malaysia, Indonesia, the US, Australia, the UK, France (total 12 regions)  
Survey Period: December 1, 2020 to December 12, 2020

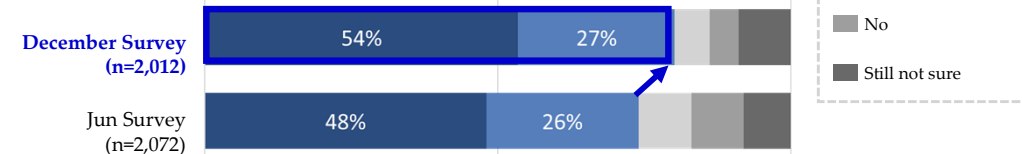
Q. Do you want to take domestic/overseas recreational tourism trips after the settlement of COVID-19 pandemic?

Both residents of Asia and those of Europe, the U.S. and Australia are more willing to travel abroad compared to the previous survey (survey period: June 2, 2020 to June 12, 2020) after things get back to normal

### Residents of Asia

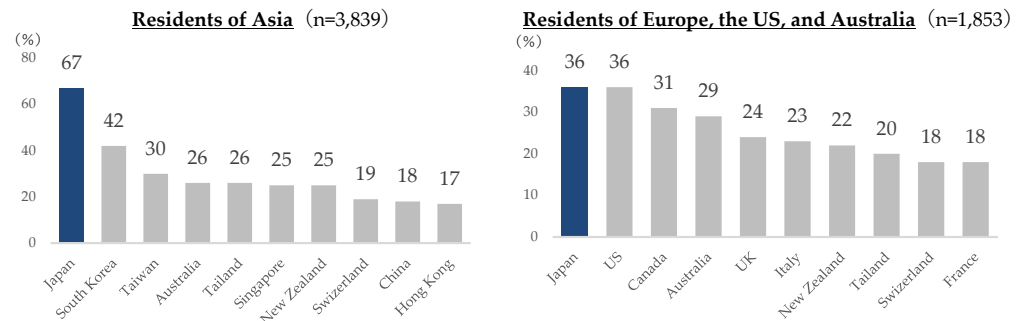


### Residents of Europe, the US, and Australia



Q. Countries and regions people want to visit for sightseeing after the settlement of COVID-19 pandemic (Top 10)

Japan is the top country people want to visit among people in Asia as well as people in the U.S., Europe, and Australia



(Note 1) "DBJ and JTBF: Survey on Tourist Travel to Japan from Asia, Europe, the United States, and Australia (The Second Special Survey on the Level of the Effects of COVID-19)" disclosed by Development Bank of Japan (DBJ) and Japan Travel Bureau Foundation (JTBF) on May 24, 2021

(Note 2) The Government of Japan implemented a special framework to facilitate cross-border business travelers and others on the condition of adopting quarantine measures in addition to the current border control measures: obtaining a certificate of pre-entry test result, retaining location data for 14 days after entering to Japan, testing for COVID-19 upon arrival at the airport, and 14 days refraining from using public transportation and staying at home or a place designated by the Chief of the Quarantine Station, etc.

# IV. Status of Residential Operations

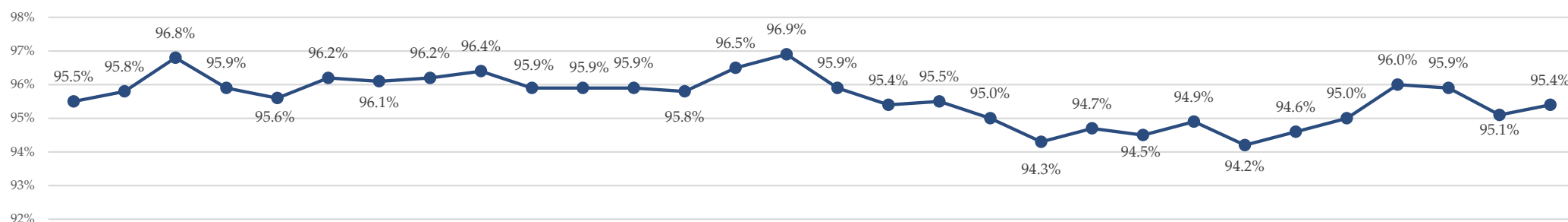
## IV-1. Performance of Residential Properties

The residential portfolio occupancy rate recovered to 95.3% this period, from 94.2% in December 2020 mainly due to revisions to the marketing strategy. The NOI of the 54 properties held at the end of this period was ¥1,376 million, similar to the amount in the June 2020 fiscal period, and 1.5% higher than the June 2019 fiscal period, which was not influenced by COVID-19

### Residential NOI for 2021 Actual and Forecast<sup>1</sup>

	2020	2021			Variance		※Reference	
	Actual 〈A〉	Initial Forecast as of 2/25 〈B〉	Jun FP Actual 〈C〉	Dec FP/Full Year Forecast (as of 8/25) 〈C〉	vs The same period in 2020 〈C/A-1〉	vs Initial Forecast as of 2/25 〈C/B-1〉	Jun 2019 FP Actual 〈D〉	vs Jun 2019 FP 〈C/D-1〉
June FP	1,377	1,378	1,376		-0.1%	-0.1%	1,356	+1.5%
December FP	1,371	1,384		1,384	+1.0%	+0.0%		
Full Year	2,748	2,762		2,761	+0.4%	-0.1%		

### Change in Monthly Occupancy<sup>1</sup> (January 2019 – June 2021)



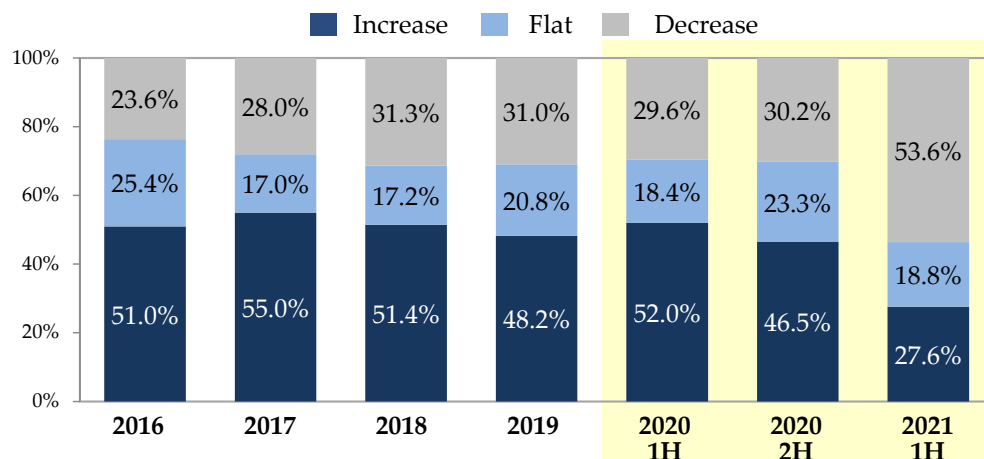
Average	96.0%			96.1%			96.0%			94.6%			95.3%					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
	2019						2020						2021					

(Note 1) Based on 54 properties held by INV as of June 30, 2021. Excludes one-off insurance-related revenues and expenses as well as one-off custodian fee associated with a trust split

# IV-2. Residential Rent Increase Initiative

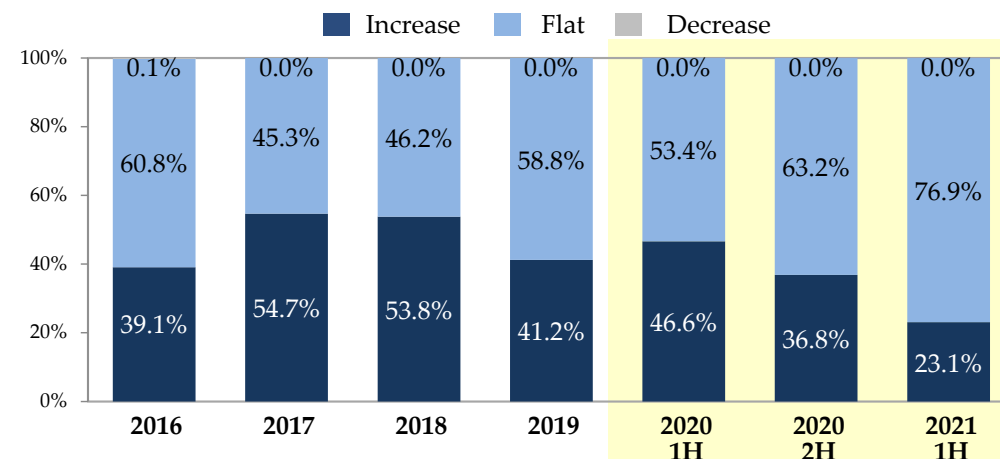
Considering the decline in occupancy rate in the previous fiscal period, INV is proceeding on strengthening marketing activities to improve occupancy rates and profits. In the June 2021 fiscal period the occupancy rate recovered while the rent increase remained slightly weak

### Change in Rent for New Contracts<sup>1</sup>



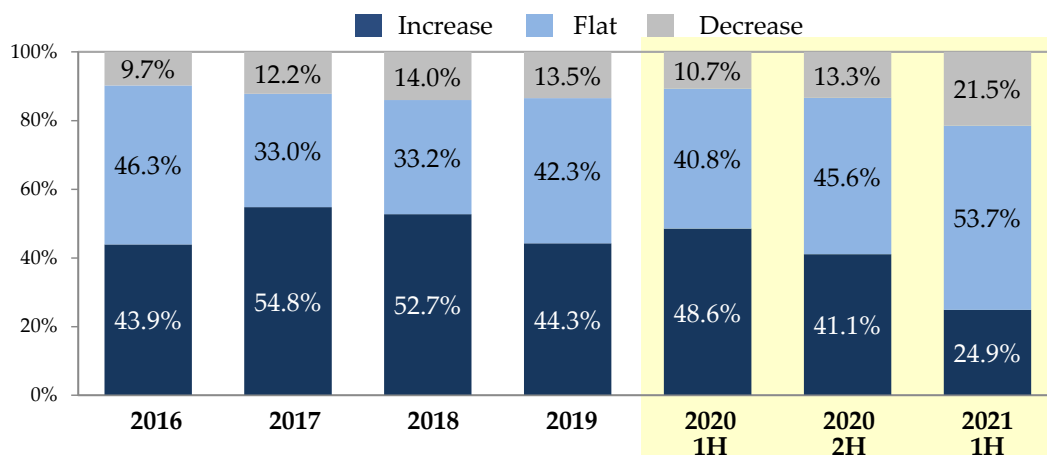
<b>No. of New Contracts</b>	783	1,030	1,015	898	402	288	388
<b>Occupancy<sup>2</sup></b>	95.9%	95.0%	95.5%	96.2%	96.2%	94.6%	95.3%
<b>Net Leasing Cost (No. of months)<sup>3</sup></b>	1.15	1.02	0.74	0.64	0.47	1.04	0.85

### Change in Rent for Renewal Contracts<sup>1</sup>

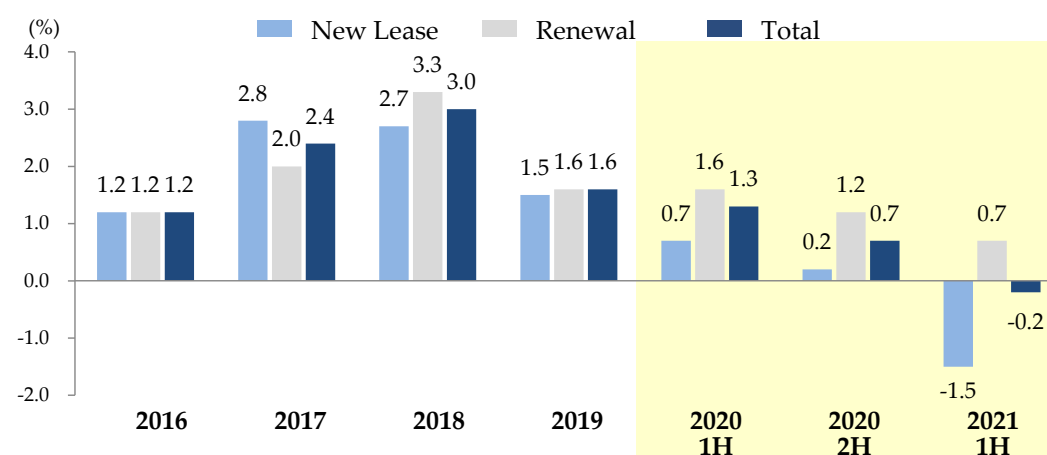


<b>No. of Renewals</b>	1,126	1,337	1,253	1,167	712	364	581
<b>Renewal Rate<sup>4</sup></b>	83.7%	82.8%	82.5%	78.9%	80.7%	84.1%	79.7%

### Change in Rent for All Contracts<sup>1</sup>



### Average Rent Increase / Decrease<sup>5</sup>

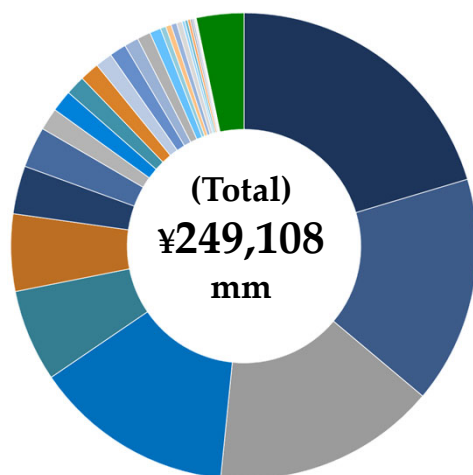


(Note 1) Based on the properties owned by INV for the relevant period. The properties INV acquired / disposed during the period are included only for the term when owned by INV  
 (Note 2) Occupancy is calculated by dividing the sum of total residential leased area by the sum of total residential leasable area at the end of each month of each year  
 (Note 3) Net Leasing Cost (Multiple of Monthly Rent) = Advertising Expenses (Multiple of Monthly Rent) + Free Rent (Multiple of Monthly Rent) – Key Money (Multiple of Monthly Rent)  
 (Note 4) Renewal rate is calculated by "Number of Renewals during the Period" ÷ "Number of Cases Targeted for Renewal during the Period"  
 (Note 5) Weighted average of monthly rent increase or decrease (%) of new or renewal contracts, or the total of both, compared with previous contracts of properties owned at the end of period

# V. Financial Condition

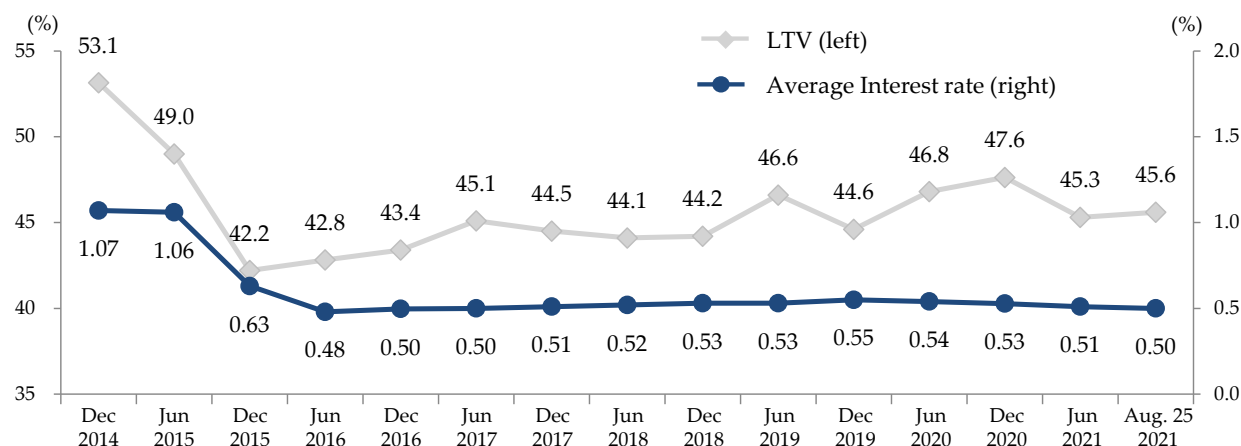
- INV refinanced bank loans of ¥11.8 billion in total this period and has never violated any financial covenants since the outbreak of COVID-19 up to the date hereof. In addition, INV refinanced ¥41.6 billion of bank loans in July and August 2021 (of which ¥1.582 billion has a duration of 3 years, and the others are 1 year durations)
- LTV has decreased from 46.8% at the end of June 2020 to 45.6 % as of August 25, 2021 due to the repayment of existing borrowings (total of ¥13.4 billion) using part of the proceeds from the dispositions of properties in December 2020 and July 2021
- INV has ¥8.8 billion in cash on hand at the end of July 2021, which is more than enough to pay interest expenses. INV endeavors to preserve cash and provide flexibility given the uncertainty in the current economic and tourism environment

## Lender Formation (as of August 25, 2021)

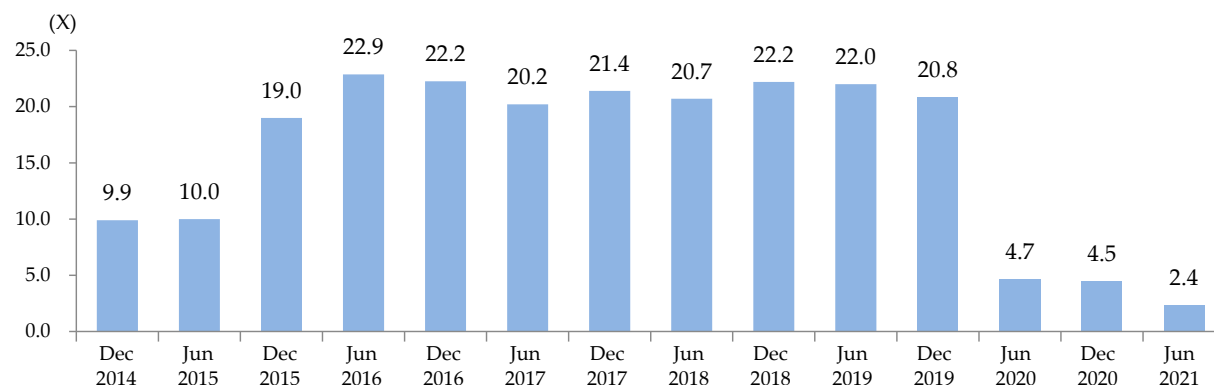


Mizuho Bank	20.4%	Shizuoka Bank	0.9%
MUFG	15.7%	Nishi-Nippon City Bank	0.8%
SMBC	15.5%	Kiraboshi Bank	0.4%
SMTB	13.9%	Momiji Bank	0.4%
Citibank	6.4%	Yamaguchi Bank	0.4%
Shinsei Bank	5.3%	The Chukyo Bank	0.4%
DBJ	3.3%	Kagawa Bank	0.2%
Resona Bank	2.8%	Tochigi Bank	0.2%
Dai-ichi Life Insurance	1.5%	Kiyo Bank	0.2%
Aeon Bank	1.5%	Hiroshima Bank	0.1%
San ju San Bank	1.3%	The Sensyu Ikeda Bank	0.1%
Aozora Bank	1.3%	Towa Bank	0.1%
Nomura TB	1.2%	Gunma Bank	0.1%
Tokyo Star Bank	1.2%	REIT Bond	3.3%
Fukuoka Bank	1.0%		

## LTV (Appraisal Value Base)<sup>1</sup> and Weighted Average Interest Rate<sup>2</sup>



## DSCR<sup>3</sup>



(Note 1) Calculated by the following formula: (Interest-bearing debts at the end of the relevant fiscal period, excluding short-term consumption tax loan) / (Total appraisal value as of the end of the same period). For the preferred equity interest in the TMK which holds Sheraton Grande Tokyo Bay Hotel as an underlying asset, the acquisition price (INV's investment amount) of such preferred equity interest is deemed as the appraisal value and included. For the Overseas Real Estate TK Interest the underlying assets of which are "The Westin Grand Cayman Seven Mile Beach Resort & Spa" and "Sunshine Suites Resort", the acquisition price (INV's TK investment amount) of such TK interest is deemed as the appraisal value and included regarding the calculation for "Dec. 2018". Regarding "Jun. 2019" onward, calculation is based on the appraisal value as of the end of each fiscal period. USD is converted into JPY amount via the forward exchange rate of USD 1=JPY 110.45 based on the foreign exchange forward contract entered into on July 26, 2018

(Note 2) Calculated by the following formula: (Total loan amount outstanding at the relevant time multiplied by applicable interest rate at the relevant time for each loans) / (The loan amount outstanding at the end of each fiscal period)

(Note 3) DSCR is calculated by dividing (i) by (ii) for the relevant period; (i) operating income, as adjusted for depreciation expenses from property rental business and any loss (gain) on sales of property (ii) scheduled prepayments of loans payable, interest expenses. Excluded the temporal increase of income due to the change of investment structure regarding overseas assets for the calculation of June 2019 fiscal period



# VI. ESG Initiatives

## VI-1. ESG Initiatives (INV)

INV recognizes the importance of environmental, social, and governance (ESG) considerations in real estate investment management from the viewpoint of sustainability such as economic and social development and contributing to global environmental conservation, and regard improvement of sustainability as an important management issue and implement initiatives to contribute to make our society sustainable

### E Initiatives for Environment UPDATE

#### Energy efficiency 7 11 12 13

- ✓ Automatic meter readings (AMR) (2)
- ✓ Introduction of BEMS (1)
- ✓ Introduction of LED lighting (all or part of property) (122)
- ✓ Installation of high-efficiency equipment and appliances (36)
- ✓ Installation of gas generation (10)
- ✓ Installation of inverters (32)
- ✓ Introduction of on-site renewable energy (2)



Banquet hall with LED lighting at MS Matsuyama

(Figures in parentheses are the number of applicable properties)

#### Water saving

- ✓ Introduction of whole or part of the water-saving type toilet (9)
- ✓ Installation of water-saving showers (77)
- ✓ Implementation of wastewater treatment on the premises (1)
- ✓ Reuse of rainwater, reclaimed water, and drainage (2)

#### Environmental protection

- ✓ Reducing waste by consolidating amenity storage locations or changing to pump-type containers of amenity such as shampoo for hotels (55)



Water-saving shower



Water-saving toilet

### S Initiatives for Society

#### Tsunami Evacuation Building

3 properties of INV portfolio are designated as "Tsunami Evacuation Buildings"



Hotel MyStays Shimizu



Takamatsu Tokyu REI Hotel



Hotel MyStays Kagoshima Tenmonkan

(Note 1) Buildings designated by municipalities in advance as an emergency evacuation site for local residents to evacuate temporarily when a Tsunami inundates an area, in areas where it is considered difficult to evacuate due to time delay from the occurrence of the earthquake to arrival of the Tsunami considering geographical conditions  
(Note 2) General manager and Staff General Manager

#### Asset Management Company Initiatives for Employees

- ✓ Regular performance appraisals and feedback processes
- ✓ Respect for human rights and promotion of diversity

We are accelerating our drive to promote successful careers for women and develop an environment in which they can fully demonstrate their abilities.

※Breakdown of directors and employees as of the end of 2020

	Total Number of people (# of Females)	Female Ratio
Directors	5 (0)	0.0%
Employees	19 (12)	63.2%
General Manager <sup>2</sup> of Employees	7 (3)	42.9%

- ✓ Initiatives for health and well-being of each employee NEW
  - Established various benefit programs for all employees, including rental PCs for remote work as a countermeasure against the COVID-19 virus
  - Newly introduced program: Telework / staggered work system, provision of telework allowance, introduction of vaccine leave
- ✓ Conducted employee satisfaction surveys (Implementation rate and recovery rate are both 100%)

### G Initiatives for Governance 16

- When the Investment Corporation conducts certain transactions such as asset acquisition with Sponsor-related Persons<sup>3</sup>, it requires deliberation and resolutions by the Compliance Committee, Investment Committee, and Board of Directors of CIM, as well as prior approval of the Board of Directors Meeting of INV. Thus, we have built a governance system that ensures third-party characteristics against conflicts of interest.
- In the agenda of the Board of Directors of INV that approves transactions with Sponsors, the executive officer who also serves as the representative director of CIM will not participate in the vote as he is a special interested party. Two supervisory officers (a lawyer and a certified public accountant) vote to ensure third-party designation regarding conflicts of interest.
- One outside expert (a lawyer) is included in the members of the Compliance Committee of CIM, which deliberates on legal compliance and transactions with Sponsor-related Persons. No resolution will be adopted unless the outside expert agrees.

(Note 3) A Sponsor-related Person is (i) any person who falls under the "Interested Persons, etc." set forth in the Investment Trust Act and the Orders for Enforcement of the Act on Investment Trust and Investment Corporations, (ii) all shareholders of CIM and (iii) special purpose companies (tokubetsu mokuteki kaisha) (a) which delegate their management to persons who fall under (ii) above, or (b) which are invested by or invested through anonymous partnership (tokumei kumiai) by persons who fall under (ii) above. Hereinafter the same

### Environmental targets

CIM sets the following quantitative targets for the continuous reduction of energy consumption throughout the portfolio

Long-term target 1	Reduce annual energy consumption intensity within the owner management scope <sup>4</sup> by 5% in Fiscal Year 2024 from Fiscal Year 2019 levels
Long-term target 2	Reduce the annual energy consumption intensity within the tenant management scope <sup>5</sup> by 1% in Fiscal Year 2024 from Fiscal Year 2019 levels

(Note 4) In principle, the owner management scope refers to common areas of residences and retail facilities owned by INV  
(Note 5) In principle, the tenant management scope refers to whole area of hotels and tenant-exclusive areas of residences and retail facilities owned by INV

※Current results for the above targets are disclosed on INV's website NEW  
<https://www.invincible-inv.co.jp/en/strategy/sustainability.html>

### GRESB Real Estate Assessment

INV is promoting initiatives to acquire a "Green Star" in the GRESB Real Estate Assessment<sup>6</sup> in 2021



(Note 6) GRESB is an annual benchmarking program to evaluate ESG considerations of property companies and real estate funds. The GRESB Real Estate Assessment is distinguished by its comprehensive evaluation of initiatives for sustainability of property companies, REITs and real estate funds, not of individual properties. GRESB rating is a relative evaluation based on comprehensive scores and the highest being "5-stars".



MyStays Hotel Management Co., Ltd. (MHM), the main operator of INV's domestic hotel portfolio, has implemented various initiatives for a sustainable society by continuing the energy efficiency improvement and community contributions at its hotels

## E Initiatives for Environment



### Utilization of ingredients cultivated in manure of retired racehorses

In order to support the activities of Geofarm Hachimantai\*, which is working on high-quality mushroom cultivation using horse manure as a sustainable mechanism to create various places of activity after retirement such as rehabilitation and retraining of horses that were active as racehorses. MHM has developed specialty menus by their hotel chefs and provided at five hotels owned by INV



#### (INV's hotels offering specialty menus)



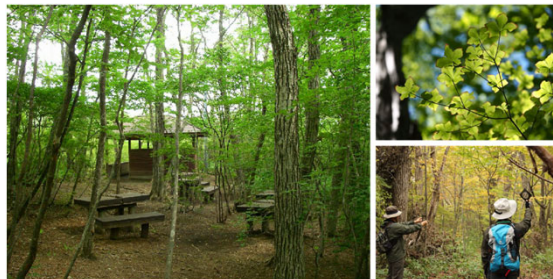
\*Geofarm Hachimantai: Established in 2015 with the aim of realizing a sustainable farm management based on horse and local resources. Located at the foot of Mt Iwate and Hachimantai Minami Onsen, the farm produces high-quality mushrooms utilizing horse manure from retired racehorses. The farm also manufactures and sells dog foods using the mushrooms  
<https://geo-farm.com/>

### Forest conservation activities

#### (Hotel Epinard Nasu)

Cooperated in the conservation of the Nikko National Park "Nasu Heisei no Mori", which was created by opening a part of the Nasu Imperial Villa<sup>1</sup>

(Note 1) Located in Nasu-machi, Nasu-gun, Tochigi Prefecture, it is used as a resting place for their Majesties the Emperor and Empress and the imperial family. The main residence was built in 1926



## S Initiatives for Society



### Participation in Local Activities

MHM has implemented various initiatives to contribute to local communities in many areas.

- Clean-up activities of the surrounding roads and rivers (Hotel MyStays Matsuyama)
- Official partner agreements to support community-based sports club teams (Hotel MyStays Haneda)
- Support and cooperation for community festivals, community disaster prevention activities, and public health activities (Hotel MyStays Kanda and many others)



※ Photos are an image.

### Local Production for Local Consumption in Food Procurement / Contributing to local communities

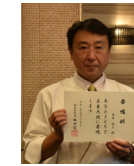
#### (Hotel Epinard Nasu)

UPDATE

Supporting local agriculture and contributing to the promotion of food education by using food produced in Tochigi Prefecture, where the hotel is located, for ingredient at restaurants in the hotel



Developed "Nasu-no-Uchi Boxed lunches (abbreviated as "Nasuben")" using foodstuffs produced in Nasu, including Nasu Wagyu (Beef), Koshihikari (Rice), Shirobijin-negi (Onion), Nira (Chinese chives), Spinach, Apples, Udo (Wild plants), Carrots, and Milk. Achieved a cumulative total of 300,000 meals (by Shimotsuke Shimbun, February 4, 2021)



Mr. Shinzo Sugai, the head chef of Hotel Epinard Nasu, who has been appointed as the "Tochigi Future Ambassador" to promote the charm of Tochigi Prefecture

#### (Art Hotel Hirosaki)

NEW

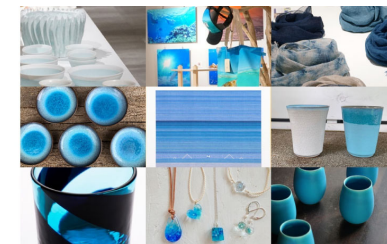
Donated a grand piano to Hirosaki City. Installed as the first street piano for the city at JR Hirosaki Station



#### (Art Hotel Ishigaki)

UPDATE

In order to disseminate the attractions of local specialties and tourism resources, events are held to introduce "folk tools" and "woodwork products" using familiar materials such as the island plants and trees at the hotel



"Blue, Blue, Blue"; The exhibition of various "blue" related with the island, held from April 24 to July 11, 2021



# Appendix

# Unitholder Benefit Program for Invincible Unitholders

- INV introduced the Unitholder Benefits Program so that unitholders could enjoy staying at the wide range of hotels owned by INV, with the goal of increasing unitholders satisfaction and expanding the investor base
- INV unitholders will receive 10% off the Best Available Rate at the Sheraton Grande Tokyo Bay Hotel and at all MyStays hotels
- INV decided to remove the eligibility requirement of “holding 10 or more units” to enable all INV unitholders to utilize this program from the June 2020 Fiscal Period and onwards, considering the requests from unitholders and expecting some improvement in occupancy rate. The revenue<sup>2</sup> for June 2021 fiscal period for MyStays hotels increased by 67.4% compared to the same period of the previous year prior to the change of the eligibility above

## Overview of Unitholder Special Benefit Program<sup>1</sup>

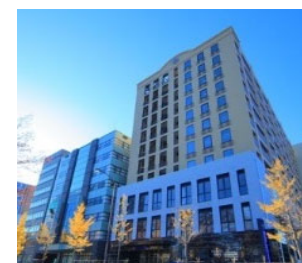
Applicable Hotels	<ul style="list-style-type: none"> <li>■ Sheraton Grande Tokyo Bay Hotel</li> <li>■ All hotels managed by MyStays<sup>3</sup></li> </ul>	
Eligible Unitholders	<p>All unitholders who hold Invincible unit(s) and whose names are on Invincible’s Unitholders’ Registry as of these record dates:</p> <ul style="list-style-type: none"> <li>✓ June 30 and December 31 of each year</li> </ul>	
Benefit Program	①	②
Eligible Hotels	Sheraton Grande Tokyo Bay Hotel	All MyStays Hotels
Details	10% discount from BAR <sup>4</sup>	10% discount from BAR <sup>4</sup>
Hotel Reservation	By telephone or email	Via dedicated website
Available Period <sup>5</sup>	<ul style="list-style-type: none"> <li>■ From April 1 to September 30 (eligible unitholders as of December 31)</li> <li>■ From October 1 to March 31 (eligible unitholders as of June 30)</li> </ul>	

## Eligible Hotels: Sheraton Grande Tokyo Bay Hotel and All MyStays Hotels

Sheraton Grande Tokyo Bay Hotel



HOTEL MYSTAYS



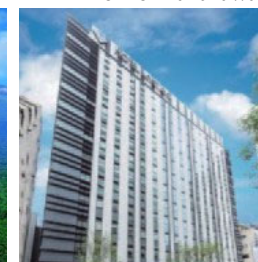
Hotel MyStays  
Premier Kanazawa



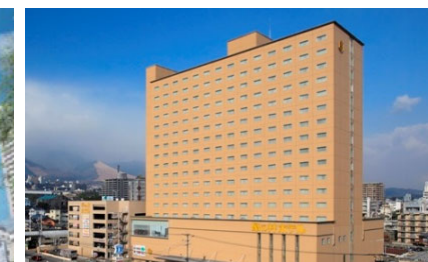
Fusaki Resort Village



Hotel Epinard Nasu



Hotel MyStays  
Premier Akasaka



Beppu Kamenoi Hotel

(Note 1) The details of the unitholder benefit program described above is what Invincible plans as of today, and the program may be changed or abolished even after it is actually introduced  
 (Note 2) Revenue for 6 months from January 1, 2021 to June 30, 2021 generated from the unit holder benefit program  
 (Note 3) All hotels operated by Mystays Hotel Management Co., Ltd., which are listed on the Official Site of My Stays Hotel Group (<https://www.mystays.com/>). Hereafter the same on the page  
 (Note 4) BAR (Best Available Rate) refers to the lowest price at the time of booking  
 (Note 5) Available Period represents a period during which you can lodge by using the unitholder benefit program. To enjoy the unitholder benefit program, you actually need to lodge during the availability period



- The number of inbound visitors had constantly increased until 2019
- However, because of the global COVID-19 pandemic, inbound visitors have vanished since March 2020, and the timing and level of recovery is too hard to predict

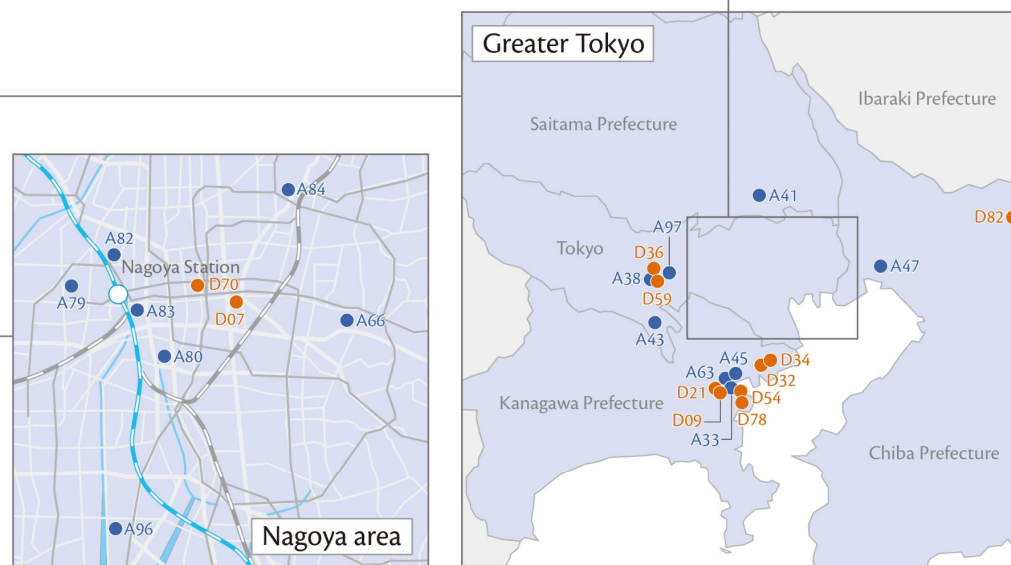
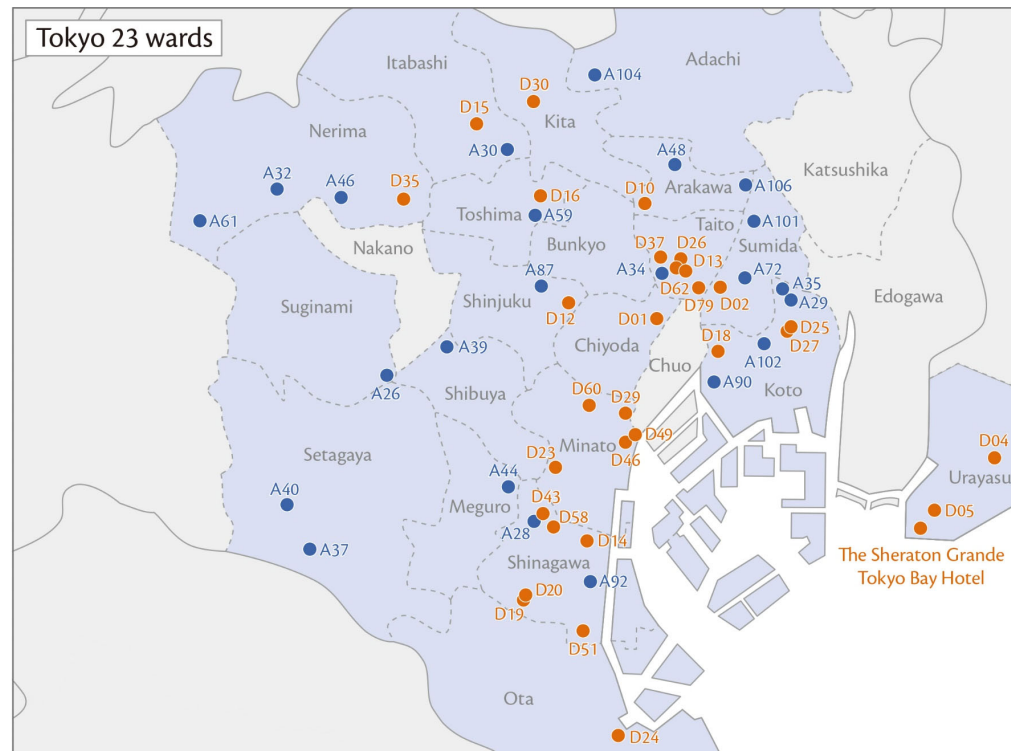
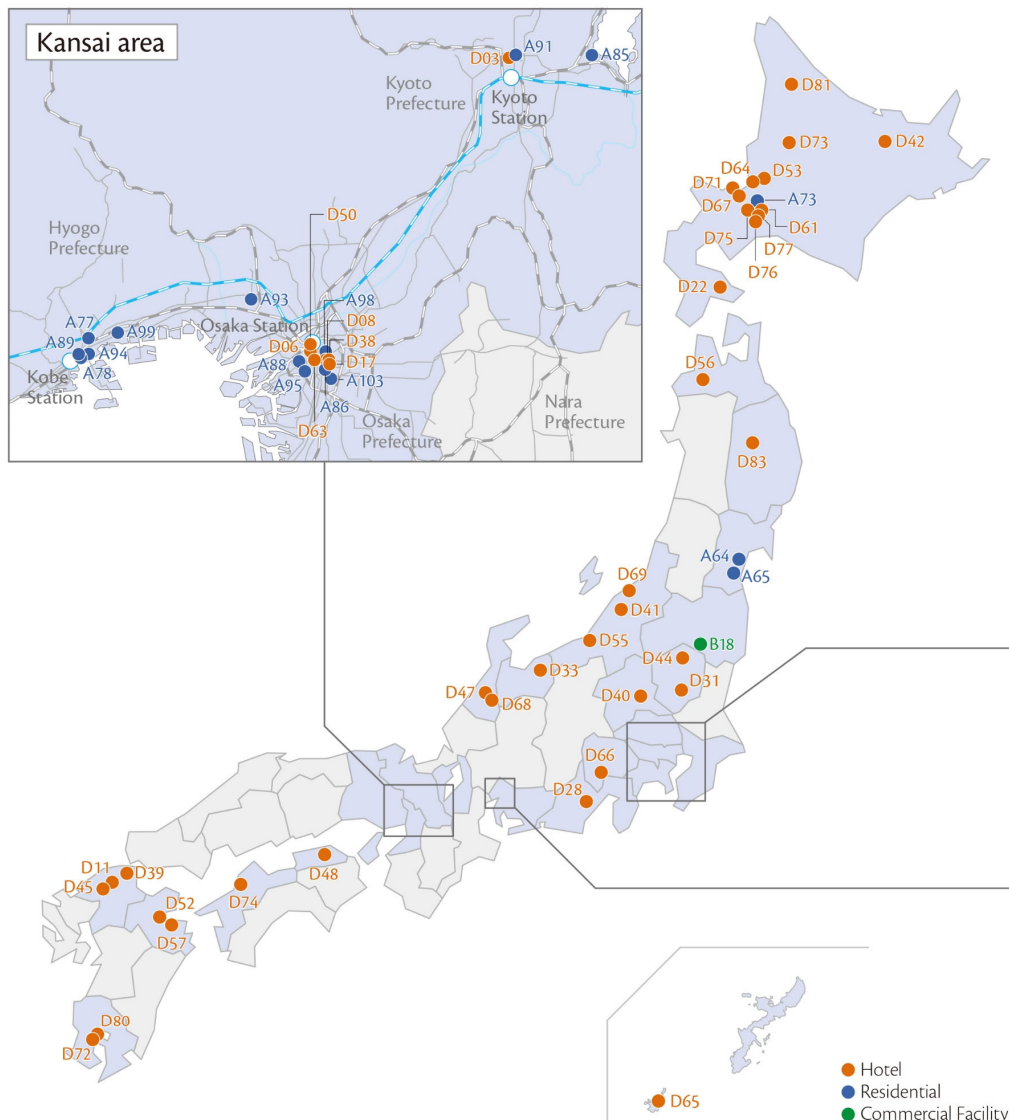
## Inbound Visitors to Japan by Country

(thousands of people)

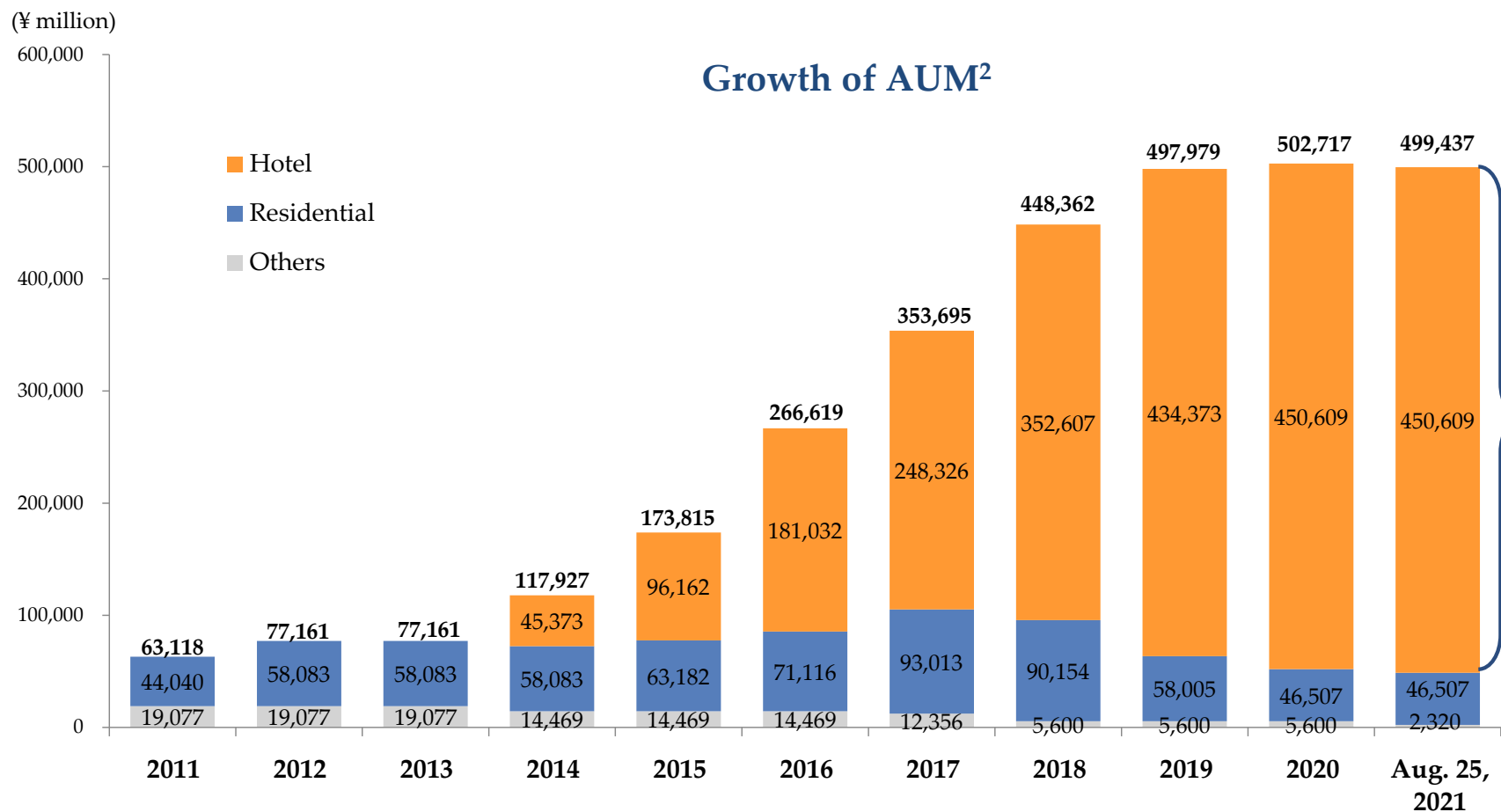
	2012		2013		2014		2015		2016		2017		2018		2019		2020		2021 Jan-Jun	
		YoY		YoY		YoY		YoY		YoY		YoY		YoY		YoY		YoY		YoY
China	1,425	+36.6%	1,314	-7.8%	2,409	+83.3%	4,994	+107.3%	6,373	+27.6%	7,356	+15.4%	8,380	+13.9%	9,594	+14.5%	1,069	-88.9%	23	-97.8%
South Korea	2,043	+23.2%	2,456	+20.2%	2,755	+12.2%	4,002	+45.3%	5,090	+27.2%	7,140	+40.3%	7,538	+5.6%	5,585	-25.9%	488	-91.3%	8	-98.3%
Taiwan	1,466	+47.5%	2,211	+50.8%	2,830	+28.0%	3,677	+29.9%	4,167	+13.3%	4,564	+9.5%	4,757	+4.2%	4,891	+2.8%	695	-85.8%	3	-99.6%
Hong Kong	482	+32.0%	746	+54.9%	926	+24.1%	1,524	+64.6%	1,839	+20.7%	2,232	+21.3%	2,207	-1.1%	2,291	+3.8%	346	-84.9%	0	-99.9%
Thailand	261	+79.8%	454	+74.0%	658	+45.0%	797	+21.2%	901	+13.1%	987	+9.5%	1,132	+14.7%	1,319	+16.5%	220	-83.3%	1	-99.3%
Malaysia	130	+59.7%	177	+35.6%	250	+41.4%	305	+22.4%	394	+29.1%	440	+11.5%	468	+6.6%	502	+7.1%	77	-84.7%	1	-99.1%
Indonesia	101	+63.9%	137	+34.8%	159	+16.0%	205	+29.2%	271	+32.1%	352	+30.0%	396	+12.6%	413	+4.0%	78	-81.2%	2	-96.6%
Philippines	85	+34.8%	108	+27.4%	184	+70.0%	268	+45.7%	348	+29.6%	424	+21.9%	503	+18.8%	613	+21.7%	109	-82.2%	3	-97.4%
Vietnam	55	+34.4%	84	+53.1%	124	+47.1%	185	+49.2%	234	+26.1%	309	+32.1%	389	+25.9%	495	+27.3%	153	-69.2%	22	-80.6%
USA	717	+26.7%	799	+11.5%	892	+11.6%	1,033	+15.9%	1,243	+20.3%	1,375	+10.6%	1,526	+11.0%	1,724	+12.9%	219	-87.3%	5	-97.7%
UK	174	+24.2%	192	+10.2%	220	+14.7%	258	+17.5%	293	+13.2%	311	+6.2%	333	+7.6%	424	+27.0%	51	-88.0%	1	-97.6%
France	130	+36.6%	155	+18.8%	179	+15.3%	214	+20.0%	253	+18.3%	269	+5.9%	304	+13.5%	336	+10.3%	43	-87.2%	1	-97.1%
Canada	135	+33.6%	153	+12.9%	183	+19.7%	231	+26.5%	273	+18.0%	306	+11.9%	330	+8.2%	375	+13.5%	53	-85.8%	1	-99.1%
Australia	206	+27.0%	245	+18.5%	303	+23.8%	376	+24.3%	445	+18.4%	495	+11.2%	552	+11.6%	622	+12.6%	144	-76.9%	1	-99.6%
Others	947	+35.2%	1,134	+19.6%	1,343	+18.5%	1,666	+24.0%	1,914	+14.9%	2,133	+11.4%	2,369	+11.1%	2,699	+13.9%	372	-86.2%	25	-92.6%
<b>Total</b>	<b>8,358</b>	<b>+34.4%</b>	<b>10,364</b>	<b>+24.0%</b>	<b>13,413</b>	<b>+29.4%</b>	<b>19,737</b>	<b>+47.1%</b>	<b>24,039</b>	<b>+21.8%</b>	<b>28,691</b>	<b>+19.3%</b>	<b>31,191</b>	<b>+8.7%</b>	<b>31,882</b>	<b>+2.2%</b>	<b>4,116</b>	<b>-87.1%</b>	<b>96</b>	<b>-97.6%</b>

# Domestic Portfolio Map (as of August 25, 2021)

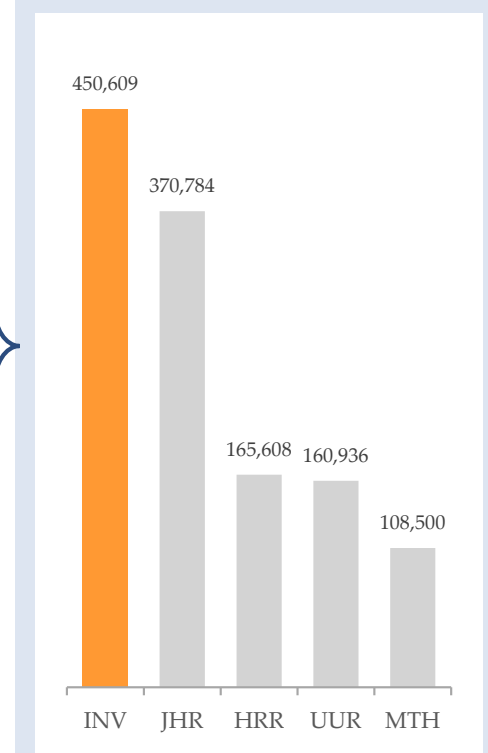
No. of Properties	No. of Hotels	No. of Residentials	No. of Others
<b>139</b>	<b>84</b>	<b>54</b>	<b>1</b>



- INV has built an irreplaceable diversified portfolio centered on both hotels and residential assets
- INV has the largest hotel portfolio amongst J-REITs<sup>1</sup>



### Top 5 J-REITs' Hotel Portfolio<sup>1</sup>



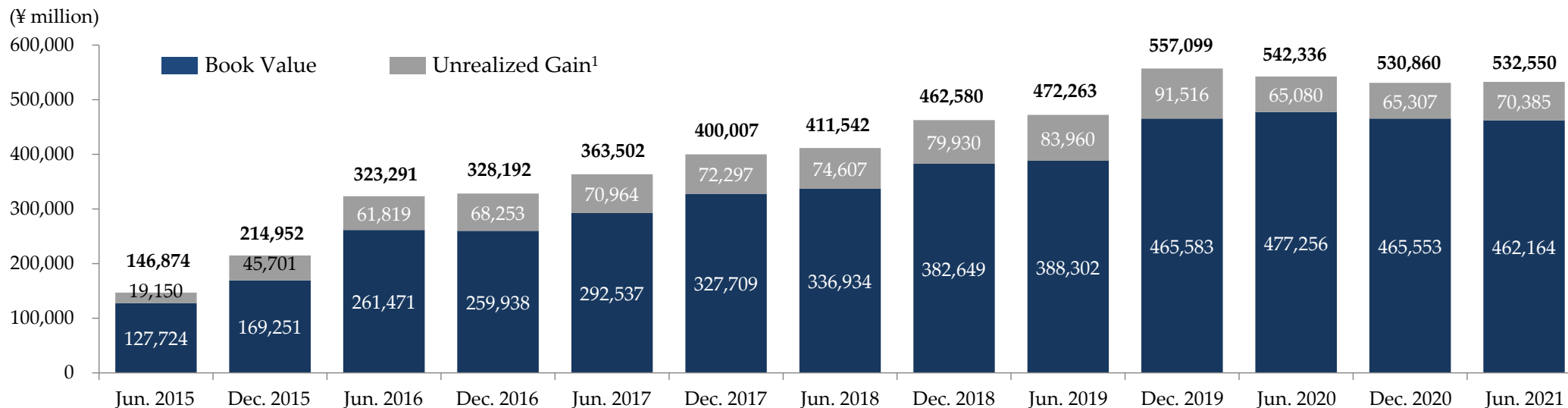
No. of properties <sup>3</sup>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Aug. 25, 2021
Hotel	0	0	0	20	37	48	54	66	84	86	86
Residential	39	63	63	63	66	68	67	64	61	54	54
Others	15	15	15	8	8	8	5	2	2	2	1

(Note 1) As of July 31, 2021

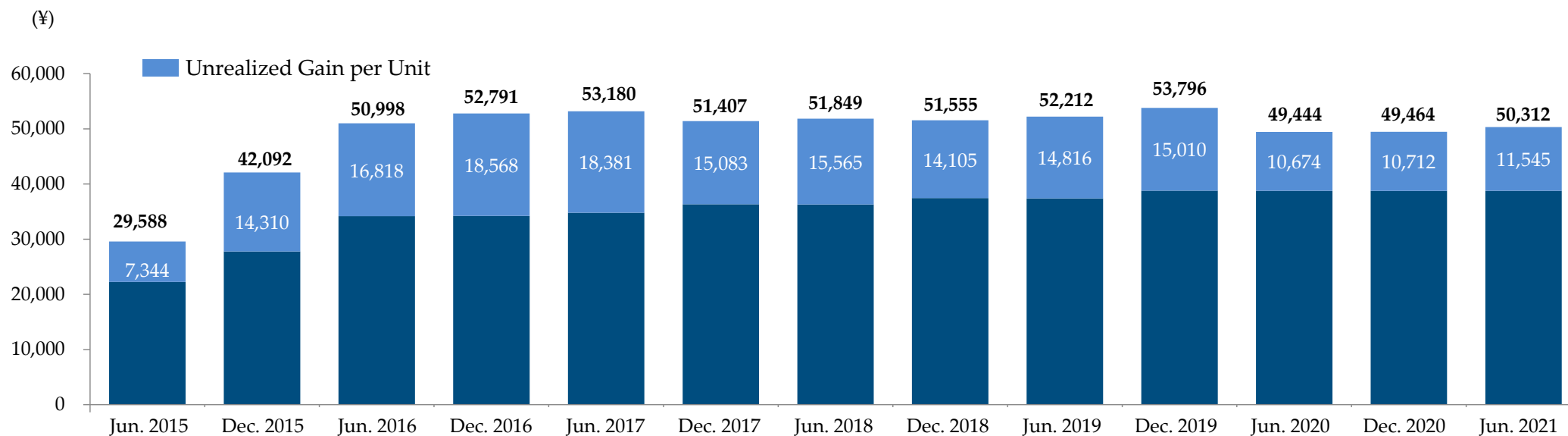
(Note 2) Based on acquisition price and acquisition price of SGTB interest in INV's portfolio is calculated by applying the amount of preferred equity interest contribution by INV to the JV TMK. For overseas hotels, "The Westin Grand Cayman Seven Mile Beach Resort & Spa" and "Sunshine Suites Resort", the amount of TK investment to the SPC which held the leasehold of the hotels is deemed as the acquisition price and included regarding for 2018. For 2019 onward, the book value of the hotels as of May 9, 2019, which are converted into JPY amount via the forward exchange rate of USD 1=JPY 110.45 based on the foreign exchange forward implemented in connection with the original TK investment in the Cayman SPC (contract thereof was entered into on July 26, 2018 and implemented on September 26, 2018)

(Note 3) The amount of preferred equity interest contribution by INV to the JV TMK and the amount of TK investment by INV to the SPC are counted according to the number of properties of underlying assets and included the calculation which are based on the property type of the assets

## Trend of Appraisal Value

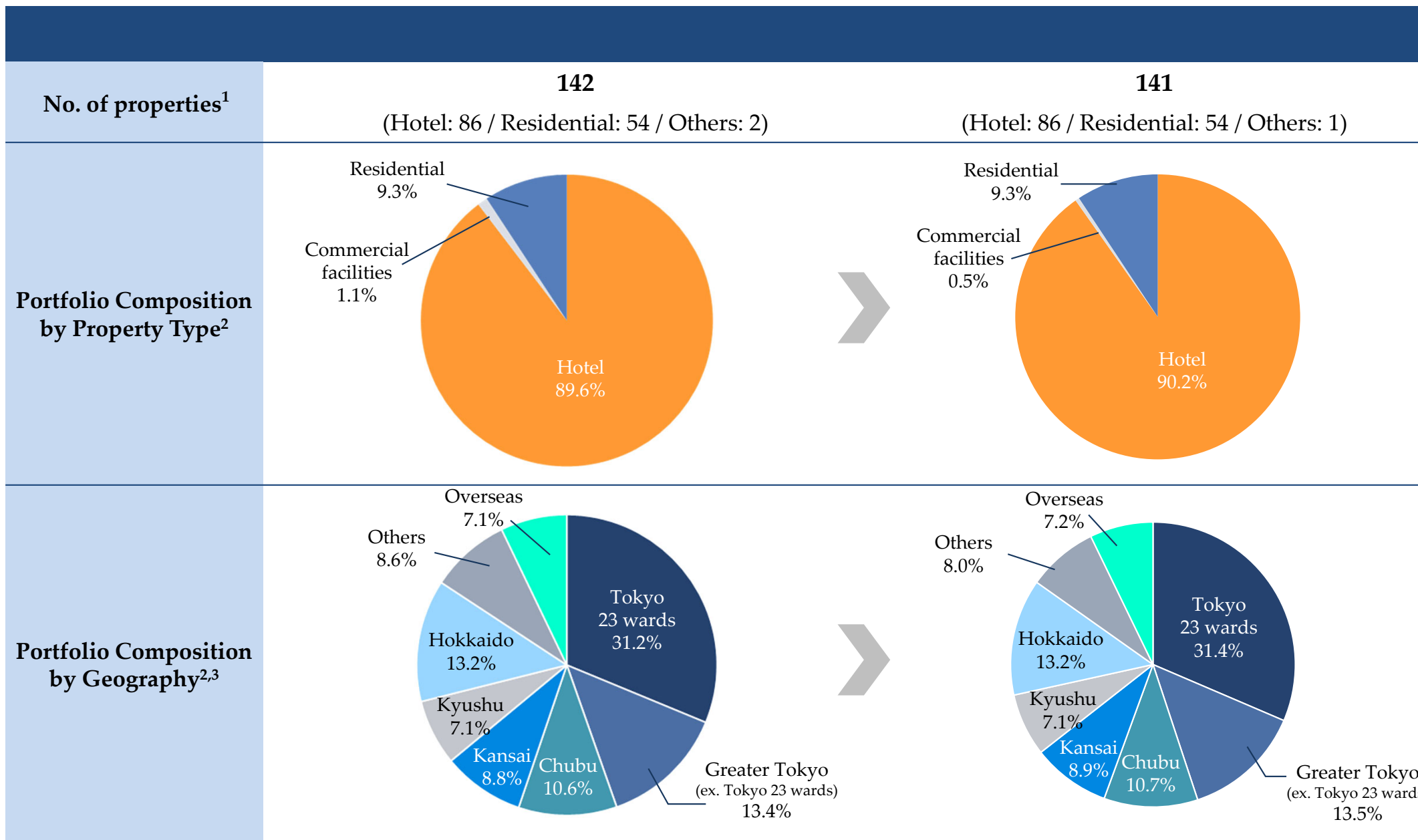


## Trend of NAV per Unit<sup>2</sup>



(Note 1) Unrealized Gain = End-of-period Appraisal Value - End-of-period Book Value

(Note 2) NAV per unit is calculated by the following formula: (End-of-period Amount of Net Assets - Undistributed Profit + End-of-period Appraisal Value - Tangible property (including leasehold rights in trust)) ÷ Investment Units outstanding as of the end of each fiscal period



(Note 1) The amount of preferred equity interest contribution by INV to the JV TMK is counted according to the number of properties of underlying assets and included the calculation which are based on the property type of the assets

(Note 2) Based on acquisition price and the amount of preferred equity interest contribution by INV to the JV TMK is included the calculation, which are based on the property type or location of the underlying asset. The acquisition price of overseas hotels is the book value of the hotels as of May 9, 2019, which are converted into JPY amount via the forward exchange rate of USD 1=JPY 110.45 based on the foreign exchange forward implemented in connection with the original TK investment in the Cayman SPC (contract thereof was entered into on July 26, 2018 and implemented on September 26, 2018).

(Note 3) Defined as follows: Greater Tokyo (ex. Tokyo 23 wards) is Tokyo (ex. Tokyo 23 Wards), Kanagawa, Chiba and Saitama. Kansai area is Osaka, Hyogo, Kyoto, Shiga, Mie, Wakayama and Nara. Chubu area is Aichi, Gifu, Shizuoka, Nagano, Yamanashi, Niigata, Toyama, Ishikawa and Fukui. Kyushu area is Fukuoka, Kumamoto, Kagoshima, Nagasaki, Oita, Miyazaki, Saga and Okinawa





## **Appendix - Financial and Operational Data**

# Key Operational Data for Variable Rent Hotels (1)

Property	Location	# of rooms	Acquisition Month	Occupancy		ADR (¥)		RevPAR (¥)		GOP (¥ mn) (Note 4)		Daily Ratio		Overseas Sales Ratio		
				Jan.-Jun. 2021 Actual		Jan.-Jun. 2021 Actual		Jan.-Jun. 2021 Actual		Jan.-Jun. 2021 Actual		Jan.-Jun. 2021 Actual		Jan.-Jun. 2021 Actual		
					Y-o-Y (pt)		Y-o-Y		Y-o-Y		Y-o-Y		Y-o-Y (pt)		Y-o-Y (pt)	
D1	MS Kanda	Chiyoda-ku, Tokyo	126	May 2014	28.4%	-23.4	3,787	-33.9%	1,077	-63.7%	-	-	97%	-2.8	7.8%	-13.9
D2	MS Asakusa	Sumida-ku, Tokyo	160	May 2014	26.7%	-12.5	3,428	-31.7%	916	-53.4%	-	-	46%	-43.3	11.5%	-48.4
D3	MS Kyoto-Shijo	Kyoto, Kyoto	224	Jul 2014	15.7%	-13.2	4,389	-32.7%	688	-63.5%	-	-	100%	0.0	21.6%	-29.0
D4	MS Shin-Urayasu CC.	Urayasu, Chiba	175	Jul 2014	32.2%	-9.4	5,357	-29.2%	1,725	-45.2%	-	-	100%	0.0	9.6%	-7.0
D5	MS Maihama	Urayasu, Chiba	90	Jul 2014	33.2%	2.2	8,850	-36.5%	2,935	-32.1%	-	-	100%	0.0	21.6%	-20.9
D6	MS Dojima	Osaka-shi, Osaka	141	Jul 2014	41.9%	-18.2	6,202	-13.9%	2,601	-40.0%	-	-	100%	0.0	6.9%	-15.6
D7	MS Nagoya-Sakae	Nagoya, Aichi	270	Jul 2014	30.8%	-23.9	4,651	-15.0%	1,430	-52.2%	-	-	100%	-0.3	11.5%	-18.3
D8	MS Sakaisuji-Honmachi	Osaka, Osaka	190	Jul 2014	21.7%	-16.7	3,418	-21.4%	741	-55.6%	-	-	70%	-30.1	8.1%	-17.3
D9	MS Yokohama	Yokohama, Kanagawa	194	Jul 2014	52.4%	-15.4	4,878	-5.7%	2,557	-27.2%	-	-	100%	0.0	17.3%	2.1
D10	MS Nippori	Arakawa-ku, Tokyo	93	Jul 2014	25.6%	-22.2	3,682	-25.9%	943	-60.3%	-	-	60%	-35.3	15.4%	-24.6
D11	MS Fukuoka-Tenjin-Minami	Fukuoka, Fukuoka	177	Jul 2014	20.6%	-28.1	4,156	-23.3%	856	-67.5%	-	-	100%	0.0	12.5%	-6.6
D12	FSI Iidabashi	Shinjuku-ku, Tokyo	59	Jul 2014	60.5%	-6.5	4,958	-18.8%	3,001	-26.6%	-	-	70%	-22.3	10.3%	-17.9
D13	MS Ueno-Inaricho	Taito-ku, Tokyo	72	Jul 2014	28.3%	-14.3	3,226	-36.2%	914	-57.6%	-	-	43%	-53.1	7.9%	-45.8
D14	FSI Shinagawa	Shinagawa-ku, Tokyo	55	Jul 2014	67.6%	-3.7	4,454	-22.4%	3,010	-26.5%	-	-	55%	-40.7	10.4%	-12.7
D15	FSI Tokiwadai	Itabashi-ku, Tokyo	129	Jul 2014	26.4%	-36.2	4,449	-2.0%	1,176	-58.6%	-	-	47%	16.7	8.9%	1.4
D16	FSI Sugamo	Toshima-ku, Tokyo	104	Jul 2014	30.6%	-3.2	4,002	-23.8%	1,226	-31.1%	-	-	23%	-31.3	2.5%	-6.9
D17	MS Otemae	Osaka, Osaka	110	Jul 2014	43.3%	-3.7	4,542	-19.4%	1,968	-25.8%	-	-	57%	-23.3	5.7%	-12.6
D18	MS Kiyosumi-Shirakawa	Koto-ku, Tokyo	57	Jul 2014	36.4%	-14.2	5,549	-22.1%	2,019	-44.0%	-	-	99%	-0.8	22.2%	-18.8
D19	FSI Nakanobu P1	Shinagawa-ku, Tokyo	39	Jul 2014	59.2%	-17.0	4,055	-13.8%	2,403	-33.0%	-	-	23%	-20.7	3.0%	-2.2
D20	FSI Nakanobu P2	Shinagawa-ku, Tokyo	22	Jul 2014	69.1%	-8.5	3,527	-11.0%	2,436	-20.7%	-	-	44%	-17.1	7.5%	-4.2
D21	Apahotel Yokohama-Kannai (Note 3)	Yokohama, Kanagawa	451	Feb 2015	-	-	-	-	-	-	-	-	-	-	-	-
D22	MS Hakodate-Goryokaku	Hakodate, Hokkaido	208	Feb 2015	37.7%	1.8	6,164	-1.5%	2,323	3.3%	-	-	100%	0.0	6.1%	-2.3
D23	FSI Shirogane	Minato-ku, Tokyo	84	Feb 2015	20.9%	-27.4	4,390	-28.9%	916	-69.2%	-	-	59%	23.5	11.6%	-5.0
D24	MS Haneida	Ota-ku, Tokyo	174	Jul 2015	64.9%	-13.1	7,873	-16.0%	5,112	-30.1%	-	-	100%	0.0	13.5%	-11.6
D25	MS Kameido P1	Koto-ku, Tokyo	265	Jul 2015	43.2%	-1.5	4,210	-17.6%	1,821	-20.4%	-	-	36%	-22.5	3.2%	-9.0
D26	MS Ueno-Iriyaguchi	Taito-ku, Tokyo	97	Jul 2015	28.7%	-13.3	3,987	-36.8%	1,145	-56.8%	-	-	71%	-29.2	7.4%	-48.5
D27	MS Kameido P2	Koto-ku, Tokyo	175	Jul 2015	38.4%	-10.9	3,800	-22.9%	1,460	-39.9%	-	-	53%	-20.4	10.0%	-11.5
D28	MS Shimizu	Shizuoka, Shizuoka	152	Jul 2015	48.9%	-19.3	5,900	17.9%	2,884	-15.5%	-	-	100%	0.0	7.6%	-6.1
D30	FSI Higashi-Jujo	Kita-ku, Tokyo	88	Jul 2015	26.7%	-21.2	3,969	-12.9%	1,058	-51.4%	-	-	63%	-23.6	7.6%	-23.4
D31	MS Utsunomiya	Utsunomiya, Tochigi	116	Jul 2015	61.4%	5.0	6,167	-5.6%	3,789	2.7%	-	-	100%	0.0	9.1%	-3.7
D32	FSI Kawasaki-Kaizuka	Kawasaki, Kanagawa	64	Jul 2015	58.1%	-16.9	3,485	-28.0%	2,026	-44.2%	-	-	23%	-8.2	4.0%	-2.9
D34	FSI Kawasaki-Ogawacho	Kawasaki, Kanagawa	62	Jul 2015	58.6%	-16.9	3,724	-4.5%	2,182	-25.8%	-	-	30%	-2.1	2.7%	-1.8
D35	FSI Ekoda	Nerima-ku, Tokyo	210	Aug 2015	29.2%	-26.0	4,726	-0.9%	1,379	-47.6%	-	-	55%	21.4	10.4%	3.2
D38	MS Shinsaibashi	Osaka, Osaka	54	Jan 2016	27.5%	-19.2	4,153	-32.9%	1,144	-60.5%	-	-	98%	-1.9	12.2%	-35.6
D43	MS Gotanda Station	Shinagawa-ku, Tokyo	384	Mar 2016	42.7%	-22.9	5,812	-19.8%	2,482	-47.8%	-	-	100%	0.0	15.4%	-2.8
D44	Hotel Epinard Nasu	Nasu, Tochigi	310	Mar 2016	38.1%	0.7	23,148	9.4%	8,812	11.5%	-	-	100%	0.0	0.0%	-0.2
D45	MS Fukuoka Tenjin	Fukuoka, Fukuoka	217	Mar 2016	19.6%	-25.8	4,700	-19.0%	920	-65.0%	-	-	99%	-0.6	14.9%	-7.5
D46	MS Hamamatsucho	Minato-ku, Tokyo	105	Mar 2016	49.5%	-15.6	4,590	-25.8%	2,270	-43.6%	-	-	100%	0.0	10.2%	-17.7
D47	MSP Kanazawa	Kanazawa, Ishikawa	244	Jun 2016	29.5%	-18.5	7,036	-6.6%	2,074	-42.6%	-	-	100%	0.0	7.3%	-14.6

(Note 1) Excludes the data for 9 hotels\* with fixed-rent lease as well as Sheraton Grande Tokyo Bay since they are not allowed to be disclosed. (\*D29 Super Hotel Shinbashi/ Karasumoriguchi, D33 Comfort Hotel Toyama, D36 Super Hotel Tokyo-JR Tachikawa Kitaguchi, D37 Super Hotel JR Ueno-iriyaguchi, D39 Comfort Hotel Kurosaki, D40 Comfort Hotel Maebashi, D41 Comfort Hotel Tsubame-Sanjo, D42 Comfort Hotel Kitami, and D48 Takamatsu Tokyu REI Hotel)

(Note 2) Actual results for the pre-acquisition period of the properties is based on actual results provided by sellers

(Note 3) D21 APA Hotel Yokohama-Kannai has been accepting COVID-19 patients with mild or no symptoms since August 2020. KPI during the period are not disclosed as the consent from the parties concerned has not been obtained.

(Note 4) GOP, which includes the amount of employment adjustment subsidies to be received by the hotel operators, is not stated since the amount of employment adjustment subsidies to be received by the hotel operators is not confirmed as of today

(Note 5) The figures for "Westin Grand Cayman Seven Mile Beach Resort & Spa" and "Sunshine Suites Resort" are in US dollars, and in USD in thousands for GOP

# Key Operational Data for Variable Rent Hotels (2)

Property	Location	# of rooms	Acquisition Month	Occupancy		ADR (¥)		RevPAR (¥)		GOP (¥ mn) (Note 4)		Daily Ratio		Overseas Sales Ratio		
				Jan.-Jun. 2021 Actual		Jan.-Jun. 2021 Actual		Jan.-Jun. 2021 Actual		Jan.-Jun. 2021 Actual		Jan.-Jun. 2021 Actual		Jan.-Jun. 2021 Actual		
					Y-o-Y (pt)		Y-o-Y		Y-o-Y		Y-o-Y		Y-o-Y		Y-o-Y (pt)	
D49	MSP Hamamatsucho	Minato-ku, Tokyo	120	May 2017	44.4%	-24.4	6,551	-36.6%	2,909	-59.1%	-	-	100%	-0.2	7.0%	-40.1
D50	MS Shin Osaka CC	Osaka-shi, Osaka	397	Oct 2017	17.9%	-21.2	4,051	-21.2%	727	-63.9%	-	-	100%	0.0	5.4%	-9.5
D51	MSP Omori	Shinagawa-ku, Tokyo	232	Oct 2017	27.2%	-26.5	6,640	-19.1%	1,808	-59.0%	-	-	100%	0.0	13.4%	-23.7
D52	Beppu Kamenoi Hotel	Beppu-shi, Oita	322	Oct 2017	21.9%	-32.2	9,218	8.6%	2,018	-56.0%	-	-	100%	0.0	9.0%	-8.6
D53	MS Sapporo Station	Sapporo-shi, Hokkaido	242	Oct 2017	21.0%	-4.5	5,874	-42.4%	1,234	-52.5%	-	-	100%	0.0	4.5%	-56.0
D54	MS Yokohama Kannai	Yokohama-shi, Kanagawa	165	Feb 2018	65.2%	-8.4	5,199	1.0%	3,391	-10.6%	-	-	100%	0.0	15.8%	-6.4
D55	Art Hotel Joetsu	Joetsu-shi, Niigata	198	Feb 2018	34.8%	0.0	7,070	-0.7%	2,460	-0.8%	-	-	100%	0.0	5.2%	1.1
D56	Art Hotel Hiroasaki City	Hiroasaki-shi, Aomori	134	Feb 2018	54.4%	17.4	8,170	15.8%	4,445	70.3%	-	-	100%	0.0	5.5%	-2.1
D57	MS Oita	Oita-shi, Oita	145	Feb 2018	63.9%	1.2	4,696	-3.2%	2,999	-1.4%	-	-	100%	0.0	13.5%	-3.1
D58	MS Gotanda	Shinagawa-ku, Tokyo	110	Jun 2018	60.4%	-8.9	5,158	-21.8%	3,113	-31.8%	-	-	100%	0.0	11.7%	-4.9
D59	MS Tachikawa	Tachikawa-shi, Tokyo	121	Jun 2018	68.6%	-17.2	6,481	2.2%	4,447	-18.2%	-	-	100%	0.0	18.5%	1.4
D60	MSP Akasaka	Minato-ku, Tokyo	327	Aug 2018	22.1%	-36.0	6,452	-13.0%	1,424	-66.9%	-	-	100%	0.0	11.3%	-22.6
D61	MSP Sapporo Park	Sapporo-shi, Hokkaido	419	Aug 2018	16.4%	-17.2	6,451	-28.9%	1,056	-65.3%	-	-	100%	0.0	4.5%	-14.3
D62	MS Ueno East	Taito-ku, Tokyo	150	Aug 2018	24.9%	-16.5	3,921	-45.4%	977	-67.1%	-	-	93%	-7.4	4.7%	-49.5
D63	MS Midosuji Honmachi	Osaka, Osaka	108	Aug 2018	16.0%	-25.2	4,740	-15.8%	758	-67.3%	-	-	100%	0.0	7.0%	-35.4
D64	Hotel MyStays Sapporo Aspen	Sapporo-shi, Hokkaido	305	Jul 2019	15.8%	-18.5	7,342	-31.5%	1,162	-68.4%	-	-	100%	0.0	7.1%	-36.7
D65	Art Hotel Ishigakijima	Ishigaki-shi, Okinawa	245	Jul 2019	21.4%	-16.6	14,332	12.9%	3,072	-36.3%	-	-	100%	0.0	12.8%	3.5
D66	Hotel MyStays Fuji Onsen Resort	Fujiyoshida-shi, Yamanashi	159	Jul 2019	29.0%	-5.3	14,649	10.6%	4,252	-6.5%	-	-	100%	0.0	30.1%	-21.8
D67	Hotel Sonia Otaru	Otaru-shi, Hokkaido	149	Jul 2019	21.6%	-10.0	9,399	-15.7%	2,034	-42.3%	-	-	100%	0.0	7.0%	-36.6
D68	Hotel MyStays Kanazawa Castle	Kanazawa-shi, Ishikawa	206	Jul 2019	21.3%	-13.7	5,623	-16.8%	1,198	-49.3%	-	-	100%	0.0	11.7%	-12.9
D69	Art Hotel Niigata Station	Niigata-shi, Niigata	304	Jul 2019	39.3%	-5.7	5,973	4.0%	2,349	-9.2%	-	-	100%	0.0	6.2%	-0.2
D70	Hotel MyStays Nagoya Nishiki	Nagoya-shi, Aichi	169	Jul 2019	23.9%	-19.4	4,440	-30.0%	1,063	-61.3%	-	-	100%	0.0	19.8%	-18.9
D71	Hotel Nord Otaru	Otaru-shi, Hokkaido	98	Jul 2019	18.6%	-9.4	9,081	-29.0%	1,690	-52.9%	-	-	100%	0.0	10.7%	-38.1
D72	Hotel MyStays Kagoshima Tenmonkan	Kagoshima-shi, Kagoshima	196	Jul 2019	39.9%	-21.8	4,780	-6.0%	1,910	-39.1%	-	-	100%	0.0	12.8%	-5.4
D73	Art Hotel Asahikawa	Asahikawa-shi, Hokkaido	265	Jul 2019	37.8%	-3.5	6,009	10.4%	2,270	1.1%	-	-	100%	0.0	3.0%	-6.0
D74	Hotel MyStays Matsuyama	Matsuyama-shi, Ehime	162	Jul 2019	26.0%	-17.3	7,032	-6.3%	1,831	-43.8%	-	-	100%	0.0	10.0%	-2.7
D75	Hotel MyStays Sapporo Susukino	Sapporo-shi, Hokkaido	104	Jul 2019	4.6%	-21.8	4,328	-41.7%	198	-89.9%	-	-	100%	0.0	10.9%	-19.8
D76	Hotel MyStays Sapporo Nakajima Park	Sapporo-shi, Hokkaido	86	Jul 2019	2.4%	-20.3	5,584	-36.0%	133	-93.3%	-	-	100%	0.0	9.3%	-50.5
D77	Hotel MyStays Sapporo Nakajima Park Annex	Sapporo-shi, Hokkaido	80	Jul 2019	1.9%	-17.4	4,050	-35.6%	77	-93.6%	-	-	100%	0.0	24.8%	-41.6
D78	Flexstay Inn Sakuragicho	Yokohama-shi, Kanagawa	70	Jul 2019	47.8%	-25.0	4,442	-6.1%	2,122	-38.4%	-	-	60%	6.0	13.2%	1.0
D79	MyCUBE by MYSTAYS Asakusa Kuramae	Taito-ku, Tokyo	161	Jul 2019	7.1%	-17.0	2,214	-24.1%	158	-77.6%	-	-	100%	0.0	10.5%	-35.6
D80	Hotel MyStays Kagoshima Tenmonkan Annex	Kagoshima-shi, Kagoshima	73	Jul 2019	49.5%	-25.8	4,505	-3.7%	2,230	-36.7%	-	-	100%	0.0	16.4%	-11.2
D81	Hotel MyStays Nayoro	Nayoro-shi, Hokkaido	70	Jul 2019	60.7%	8.7	7,283	0.0%	4,419	16.7%	-	-	100%	0.0	5.3%	1.2
D82	Hotel MyStays Premier Narita	Narita-shi, Chiba	711	Jan 2020	54.7%	-2.1	6,769	-19.7%	3,704	-22.7%	-	-	100%	0.0	4.7%	-12.6
D83	Art Hotel Morioka	Morioka-shi, Iwate	214	Jan 2020	58.0%	-3.7	5,969	9.1%	3,459	2.6%	-	-	100%	0.0	9.5%	-3.1
<b>Domestic Hotels</b>		-	12,964	-	34.0%	-14.3	6371	-10.0%	2169	-36.6%	-	-	94.0%	-1.6	9.0%	-13.8
D200	Westin Grand Cayman Seven Mile Beach Resort & Spa	Grand Cayman	343	Sep 2018	0.7%	-36.7	282	-50.5%	2	-99.1%	-2,989	-	-	-	-	-
D201	Sunshine Suites Resort	Grand Cayman	131	Sep 2018	26.7%	-11.2	154	-44.3%	41	-60.8%	139	-	-	-	-	-
<b>Overseas Hotels</b>		-	474	-	7.9%	-29.7	162	-66.8%	13	-93.0%	-2850	-	-	-	-	-

(Note 1) Excludes the data for 9 hotels\* with fixed-rent lease as well as Sheraton Grande Tokyo Bay since they are not allowed to be disclosed. (\*D29 Super Hotel Shinbashi/ Karasumoriguchi, D33 Comfort Hotel Toyama, D36 Super Hotel Tokyo-JR Tachikawa Kitaguchi, D37 Super Hotel JR Ueno-iryaguchi, D39 Comfort Hotel Kurosaki, D40 Comfort Hotel Maebashi, D41 Comfort Hotel Tsubame-Sanjo, D42 Comfort Hotel Kitami, and D48 Takamatsu Tokyu REI Hotel)

(Note 2) Actual results for the pre-acquisition period of the properties is based on actual results provided by sellers

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(Note 4) GOP, which includes the amount of employment adjustment subsidies to be received by the hotel operators, is not stated since the amount of employment adjustment subsidies to be received by the hotel operators is not confirmed as of today

(Note 5) The figures for "Westin Grand Cayman Seven Mile Beach Resort & Spa" and "Sunshine Suites Resort" are in US dollars, and in USD in thousands for GOP

Items	June 2018	December 2018	June 2019	December 2019	June 2020	December 2021	June 2021
	Jan 1, 2018- Jun 30, 2018	Jul 1, 2018- Dec 31, 2018	Jan 1, 2019- Jun 30, 2019	Jul 1, 2019- Dec 31, 2019	Jan 1, 2020- Jun 30, 2020	Jul 1, 2020- Dec 31, 2020	Jan 1, 2021- Jun 30, 2021
Amount of Total Assets (JPY million)	374,512	455,362	467,931	522,431	516,663	516,490	497,899
Amount of Net Assets (JPY million)	181,523	221,364	233,046	259,730	249,538	249,641	245,113
Capital-to-Asset Ratio	48.5%	48.6%	49.8%	49.7%	48.3%	48.3%	49.2%
Total Amount of Investment (JPY million)	168,798	211,092	211,092	235,701	235,701	235,701	235,701
End-of-period total number of units issued	4,793,181	5,666,840	5,666,840	6,096,840	6,096,840	6,096,840	6,096,840
Amount of Net Assets per Unit (JPY)	37,871	39,063	41,125	42,601	40,929	40,946	40,203
Return on Asset (ROA) (annualized)	4.2%	3.8%	9.4%	4.6%	0.2%	0.2%	-1.4%
Return on Equity (ROE) (annualized)	8.6%	7.7%	19.3%	9.3%	0.3%	0.5%	-2.9%
Amount of interest-bearing debts (JPY million)	189,415	229,873	228,774	259,174	263,468	262,588	249,198
Weighted average interest rate	0.5%	0.5%	0.5%	0.6%	0.5%	0.5%	0.5%
Loan to Value (LTV 1)	52.1%	52.0%	51.9%	52.3%	52.7%	52.6%	51.3%
End-of-period Loan-to-Value based on Total Assets (LTV 2)	50.6%	50.5%	48.9%	49.6%	51.0%	50.8%	50.0%
Net Operating Income (NOI) (JPY million)	10,491	13,039	14,734	15,164	4,026	3,703	2,090
NOI yield (annualized)	5.9%	6.4%	7.1%	6.2%	1.6%	1.5%	0.8%
Depreciation Expenses (JPY million)	2,772	3,039	3,168	3,757	3,999	3,992	3,889
Funds From Operations (FFO) (JPY million)	9,244	11,423	13,290	13,426	2,377	2,014	290
NAV (JPY million)	248,519	292,154	295,874	327,985	301,450	301,576	306,746
NAV per Unit (JPY)	51,849	51,555	52,212	53,796	49,444	49,464	50,312
NAV ratio	1.0	0.9	1.1	1.2	0.6	0.7	0.9

(Note 1) Financial indicators calculation method in the above table are as follows

- ROA(annualized) = Ordinary Income / Weighted Average Total Assets during the period x 100/days during the period x 3
- ROE(annualized) = Net Income / Weighted Average Net Assets during the period x 100/days during the period x 365
- LTV(1) = End-of-period Interest-Bearing Debt / (End-of-period Interest-Bearing Debt + Unitholders' Capital + Unitholders' Capital Surplus)x100
- LTV(2) = End-of-period Interest-Bearing Debt / End-of-period Total Assets x 100
- NOI = Rental Revenues + TMK Dividend amount - Property-Related Expenses + Depreciation Expenses
- NOI yield (annualized) = ((Rental Revenues + TMK Dividend amount - Property-Related Expenses + Depreciation Expenses)/ days during the period x 365)/ Acquisition Price
- FFO = Net Income + Depreciation Expenses + Other Amortization – Gain on Sales of Properties + Loss from Sales of Properties
- NAV = End-of-period Amount of Net Assets – Undistributed Profit + End-of-period Appraisal Value - Tangible property (including leasehold rights in trust)
- NAV ratio = period-end unit price/ Amount of Net Assets per Unit

(Note 2) Figures are rounded down to the indicated unit and percentages are rounded to one decimal place  
In addition, "Amount of Net Assets per Unit (¥)" and "NAV per Unit (¥)" are rounded to nearest yen

# Income Statement

Items	Dec 2020 Period		Jun 2021 Period		Changes	
	Jul 1, 2020- Dec 31, 2020		Jan 1, 2021- Jun 30, 2021		JPY thousand	(%)
	JPY thousand	(%)	JPY thousand	(%)	JPY thousand	(%)
Operating revenue (1)	8,340,593	100.0	3,806,176	100.0	(4,534,417)	-54.4
Rental revenue	5,738,249		3,806,176		(1,932,073)	
Gain on sales of properties (2)	2,602,343		-		(2,602,343)	
Operating expenses	6,649,749	79.7	6,147,595	161.5	(502,154)	-7.6
Property related expenses (3)	5,044,533		4,720,815		(323,718)	
Management contract expenses (4)	983,288		884,731		(98,557)	
Depreciation expenses (5)	3,992,787		3,889,784		(103,003)	
<b>NOI (including dividend income) (1)-(2)-(3)-(4)+(5)</b>	<b>3,703,216</b>	<b>44.4</b>	<b>2,090,414</b>	<b>54.9</b>	<b>(1,612,802)</b>	<b>(43.6)</b>
Asset management fees	300,000		300,000		-	
Directors' compensation	4,800		4,800		-	
Asset custody fees	25,684		25,203		(481)	
Administrative service fees	67,749		49,087		(18,662)	
Other	223,692		162,956		(60,735)	
Operating income (loss)	1,690,843	20.3	(2,341,419)	-61.5	(4,032,262)	-238.5
Non-operating income	99,382	1.2	8,423	0.2	(90,959)	-91.5
Interest income	107		96		(11)	
Foreign exchange gains	12,878		-		(12,878)	
Interest on tax refund	1,498		-		(1,498)	
Gain of derivatives	81,626		-		(81,626)	
Other	3,272		8,327		5,055	
Non-operating expenses	1,165,892	14.0	1,266,088	33.3	100,195	8.6
Interest expenses	654,685		624,616		(30,068)	
Foreign exchange losses	-		34,513		34,513	
Interest expenses on investment corporation bonds	28,230		27,769		(460)	
Amortization of investment corporation bond issuance costs	6,303		6,200		(102)	
Loan-related costs	472,665		508,348		35,683	
Loss of derivatives	-		64,638		64,638	
Other	4,007		-		(4,007)	
Ordinary income (loss)	624,333	7.5	(3,599,083)	-94.6	(4,223,417)	(676.5)
<b>Income (loss) before income taxes</b>	<b>624,333</b>	<b>7.5</b>	<b>(3,599,083)</b>	<b>-94.6</b>	<b>(4,223,417)</b>	<b>(676.5)</b>
Income taxes	605		605		-	
<b>Net income (loss)</b>	<b>623,728</b>	<b>7.5</b>	<b>(3,599,688)</b>	<b>-94.6</b>	<b>(4,223,417)</b>	<b>(677.1)</b>
Retained earnings / losses brought forward	12,747,612		12,353,168		(394,443)	
Unappropriated retained earnings / losses at the end of the period	13,371,340		8,753,480		(4,617,860)	

# Balance Sheet - Assets

Items	December 2020 Period (As of December 31, 2020)		June 2021 Period (As of June 30, 2021)		Changes	
	JPY thousand	(%)	JPY thousand	(%)	JPY thousand	(%)
<b>Assets</b>						
<b>Current assets</b>						
Cash and bank deposits	21,210,252		6,311,545		(14,898,707)	
Cash and bank deposits in trust	6,295,192		6,528,498		233,305	
Rental receivables	1,717,908		1,239,770		(478,137)	
Deposits paid	356,534		441,992		85,458	
Prepaid expenses	708,338		498,144		(210,194)	
Income taxes receivable	16		14		(1)	
Consumption tax receivable	-		268,549		268,549	
Others	6,536		-		(6,536)	
<b>Total current assets</b>	<b>30,294,779</b>	<b>5.9</b>	<b>15,288,515</b>	<b>3.1</b>	<b>(15,006,263)</b>	<b>(49.5)</b>
<b>Non-current assets</b>						
Property and equipment						
Buildings	18,693,138		18,474,616		(218,521)	
Buildings and accompanying facilities	4,798,368		4,647,013		(151,355)	
Structures	1,406		1,373		(32)	
Tools, furniture and fixtures	1,008,406		953,547		(54,859)	
Construction in progress	588,930		637,580		48,649	
Buildings in trust	145,275,361		143,139,931		(2,135,429)	
Buildings and accompanying facilities in trust	23,235,425		22,566,350		(669,075)	
Structures in trust	135,165		131,893		(3,271)	
Tools, furniture and fixtures in trust	1,632,456		1,514,532		(117,923)	
Land in trust	245,560,970		245,560,970		-	
<b>Total property and equipment</b>	<b>440,929,629</b>	<b>85.4</b>	<b>437,627,809</b>	<b>87.9</b>	<b>(3,301,819)</b>	<b>(0.7)</b>
Intangible assets						
Leasehold rights	10,637,811		10,637,811		-	
Leasehold rights in trust	14,575,091		14,536,494		(38,597)	
<b>Total intangible assets</b>	<b>25,212,903</b>	<b>4.9</b>	<b>25,174,306</b>	<b>5.1</b>	<b>(38,597)</b>	<b>(0.2)</b>
Investment and other assets						
Investment securities	17,856,387		17,856,387		-	
Guarantee deposits	1,362,721		1,362,721		-	
Long-term prepaid expenses	681,990		494,637		(187,353)	
Derivatives assets	66,417		16,216		(50,200)	
Others	22,667		22,667		-	
<b>Total investment and other assets</b>	<b>19,990,184</b>	<b>3.9</b>	<b>19,752,630</b>	<b>4.0</b>	<b>(237,554)</b>	<b>(1.2)</b>
<b>Total non-current assets</b>	<b>486,132,717</b>	<b>94.1</b>	<b>482,554,746</b>	<b>96.9</b>	<b>(3,577,971)</b>	<b>(0.7)</b>
<b>Deferred assets</b>						
Investment corporation bond issuance costs	62,853		56,652		(6,200)	
<b>Total deferred assets</b>	<b>62,853</b>	<b>0.0</b>	<b>56,652</b>	<b>0.0</b>	<b>(6,200)</b>	<b>-</b>
<b>Total assets</b>	<b>516,490,350</b>	<b>100.0</b>	<b>497,899,915</b>	<b>100.0</b>	<b>(18,590,435)</b>	<b>(3.6)</b>

# Balance Sheet – Liabilities/Net Assets

Items	December 2020 Period (As of December 31, 2020)		June 2021 Period (As of June 30, 2021)		Changes	
	JPY thousand	(%)	JPY thousand	(%)	JPY thousand	(%)
<b>Liabilities</b>						
<b>Current liabilities</b>						
Accounts payable	846,058		917,331		71,272	
Short-term loans payable	34,847,000		44,228,000		9,381,000	
Current portion of long-term loans payable	55,601,000		53,315,000		(2,286,000)	
Accounts payable-other	24,701		26,843		2,141	
Accrued expenses	344,243		249,410		(94,833)	
Income taxes payable	605		605		-	
Consumption taxes payable	578,858		-		(578,858)	
Advances received	580,016		597,790		17,773	
Deposits received	11,143		11,083		(59)	
<b>Total current liabilities</b>	<b>92,833,627</b>	<b>18.0</b>	<b>99,346,064</b>	<b>20.0</b>	<b>6,512,436</b>	<b>7.0</b>
<b>Non-current liabilities</b>						
Investment corporation bonds	8,200,000		8,200,000		-	
Long-term loans payable	163,940,000		143,455,000		(20,485,000)	
Tenant leasehold and security deposits in trust	1,672,037		1,657,369		(14,668)	
Derivatives liabilities	170,488		94,392		(76,096)	
Asset retirement obligations	32,977		33,197		219	
<b>Total non-current liabilities</b>	<b>174,015,504</b>	<b>33.7</b>	<b>153,439,959</b>	<b>30.8</b>	<b>(20,575,544)</b>	<b>(11.8)</b>
<b>Total liabilities</b>	<b>266,849,131</b>	<b>51.7</b>	<b>252,786,023</b>	<b>50.8</b>	<b>(14,063,108)</b>	<b>(5.3)</b>
<b>Net assets</b>						
<b>Unitholders' equity</b>						
Unitholders' capital	235,701,512	45.6	235,701,512	47.3	-	-
<b>Surplus</b>						
Capital surplus	6,264,432		6,264,432		-	
Deduction of capital surplus						
Allowance for temporary differences adjustment	(6,130)		(6,130)		-	
Other deduction of capital surplus	(5,524,006)		(5,524,006)		-	
Total deduction of capital surplus	(5,530,137)		(5,530,137)		-	
Capital surplus (net)	734,294		734,294		-	
Retained earnings	13,371,340		8,753,480		(4,617,860)	
<b>Total surplus</b>	<b>14,105,635</b>	<b>2.7</b>	<b>9,487,774</b>	<b>1.9</b>	<b>(4,617,860)</b>	<b>-32.7</b>
<b>Total unitholders' equity</b>	<b>249,807,147</b>	<b>48.4</b>	<b>245,189,287</b>	<b>49.2</b>	<b>(4,617,860)</b>	<b>-1.8</b>
<b>Valuation and translation adjustments</b>						
Deferred gains or losses on hedges	(165,929)		△75,395		90,533	
<b>Total valuation and translation adjustments</b>	<b>(165,929)</b>	<b>(0.0)</b>	<b>△75,395</b>	<b>△ 0.0</b>	<b>90,533</b>	<b>(54.6)</b>
<b>Total net assets</b>	<b>249,641,218</b>	<b>48.3</b>	<b>245,113,891</b>	<b>49.2</b>	<b>(4,527,327)</b>	<b>-1.8</b>
<b>Total liabilities and net assets</b>	<b>516,490,350</b>	<b>100.0</b>	<b>497,899,915</b>	<b>100.0</b>	<b>(18,590,435)</b>	<b>(3.6)</b>



# Cash Flow Statement and Dividend Distribution

Items	December 2020 Period	June 2021 Period
	Jul 1, 2020- Dec 31, 2020 (JPY thousand)	Jan 1, 2021- Jun 30, 2021 (JPY thousand)
<b>Cash flows from operating activities</b>		
Income (loss) before income taxes	624,333	(3,599,083)
Depreciation and amortization	3,992,787	3,889,784
Amortization of investment corporation bond issuance costs	6,303	6,200
Loan-related costs	472,665	508,348
Interest income	(107)	(96)
Interest expenses	682,915	652,386
Foreign exchange losses (gains)	(30)	51
Loss (gain) of derivatives	(81,626)	64,638
Decrease (increase) in rental receivables	(1,413,044)	478,137
Decrease (Increase) in deposits paid	(94,026)	(85,458)
Decrease (increase) in receivable income taxes	129,597	1
Decrease (increase) in consumption taxes receivable	831,675	(268,549)
Increase (decrease) in accounts payable	640,046	17,621
Increase (decrease) in consumption taxes payable	578,858	(578,858)
Increase (decrease) in accounts payable-other	(256,749)	16,542
Increase (decrease) in accrued expenses	68,632	(89,059)
Increase (decrease) in advances received	(420,200)	17,773
Increase (decrease) in deposits received	(20,746)	(59)
Decrease in property and equipment in trust due to sale	8,284,271	0
Others	(104,384)	129,029
<b>Subtotal</b>	<b>13,921,171</b>	<b>1,159,352</b>
Interest income received	107	96
Interest expenses paid	(680,307)	(655,468)
Income taxes paid	(605)	(605)
<b>Cash flows from operating activities</b>	<b>13,240,366</b>	<b>503,374</b>
<b>Cash flows from investment activities</b>		
Payment into time deposits	(1,328,500)	(2,000,000)
Proceeds from withdrawal of time deposits	-	1,328,500
Purchases of property and equipment	(139,812)	(53,356)
Purchases of property and equipment in trust	(358,986)	(453,398)
Repayments of tenant leasehold and security deposits	(99,182)	(53,590)
Proceeds from tenant leasehold and security deposits in trust	26,461	38,922
Others	109,484	-
<b>Cash flows from investment activities</b>	<b>(1,790,534)</b>	<b>(1,192,923)</b>
<b>Cash flows from financing activities</b>		
Proceeds from short-term loans payable	34,847,000	11,835,000
Repayments of short-term loans payable	(880,000)	(2,454,000)
Proceeds from long-term loans payable	600,000	-
Repayments of long-term loans payable	(35,447,000)	(22,771,000)
Payments for loan-related costs	(287,367)	(237,904)
Payments of distributions of earnings	(424,124)	(1,019,396)
<b>Cash flows from financing activities</b>	<b>(1,591,491)</b>	<b>(14,647,300)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>30</b>	<b>(51)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>9,858,370</b>	<b>(15,336,901)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>16,318,574</b>	<b>26,176,945</b>
<b>Cash and cash equivalents at end of period</b>	<b>26,176,945</b>	<b>10,840,044</b>

Items		Dec 2020 Period	Jun 2021 Period
		Jul 1, 2020- Dec 31, 2020	Jan 1, 2021- Jun 30, 2021
Unappropriated retained earnings	(JPY thousand)	13,371,340	8,753,480
Distributions	(JPY thousand)	1,018,172	91,452
Of which, distributions of earnings	(JPY thousand)	1,018,172	91,452
Distribution per unit	(JPY)	167	15
Of which, distributions of earnings per unit	(JPY)	167	15
Retained earnings / losses carried forward	(JPY thousand)	12,353,168	8,662,027



# Property Income (1/4)

(in ¥ thousand)

Property Number	A26	A28	A29	A30	A32	A33	A34	A35	A37	A38	A39	A40	A41	A43	A44	A45	A46	A47	A48
Property Name	Nissin Palacestage Daitabashi	Growth Maison Gotanda	Growth Maison Kameido	Emerald House	Suncrest Shakujii-Koen	Growth Maison Shin-Yokohama	Belle Face Ueno-Okachimachi	Grand Rire Kameido	Growth Maison Yoga	Route Tachikawa	Shibuya-Honmachi Mansion	City Heights Kiruta	Acceeds Tower Kawaguchi-Namiki	College Square Machida	Belair Meguro	Wacore Tsunashima I	Foros Nakamura-bashi	Growth Maison Kaijin	College Square Machiya
number of operating days	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181
① Rental revenues	38,886	27,696	35,191	47,212	39,472	38,130	33,266	26,619	22,403	22,167	20,495	18,918	26,363	16,609	16,116	18,315	19,366	23,284	14,924
Rent, common area fees	35,338	26,916	32,741	38,573	34,633	34,737	29,459	26,619	21,200	19,870	19,727	16,688	24,802	16,609	15,061	17,359	17,055	20,897	14,706
Rental revenues (Fixed rent)																			
Rental revenues (Variable rent)																			
Other revenue	3,547	780	2,450	8,638	4,839	3,392	3,807	-	1,203	2,296	767	2,229	1,561	-	1,055	956	2,310	2,386	218
② Property related expenses	18,704	8,829	12,924	20,958	17,349	14,177	16,909	9,599	9,510	9,064	6,451	6,704	13,267	4,084	7,249	9,220	9,930	15,361	5,456
Facility management fees (a)	4,934	1,921	2,970	5,054	3,807	3,275	6,383	1,772	2,713	1,624	1,505	2,040	3,541	873	1,877	2,255	2,042	3,621	190
(of which, repair cost)	384	201	138	304	314	289	359	1,459	20	161	97	152	137	633	180	96	87	390	190
(of which, utility expenses)	1,757	280	482	808	783	460	469	-	312	257	133	142	362	-	155	351	262	765	-
Tax and other public charges (b)	1,626	1,350	1,719	2,551	3,115	2,410	1,667	1,734	1,367	1,068	956	999	1,108	509	908	897	975	2,044	931
Insurance expenses (c)	55	29	42	91	72	67	47	44	29	40	34	23	32	27	19	24	32	78	21
Depreciation expenses (⑦)	9,761	5,016	6,302	8,513	7,901	6,413	5,631	5,547	4,162	4,699	2,705	2,140	5,289	2,172	2,370	4,570	5,268	7,909	3,812
Other expenses (d)	2,326	511	1,889	4,748	2,453	2,011	3,181	501	1,236	1,631	1,249	1,501	3,295	501	2,074	1,472	1,611	1,707	501
③ Rental income (①-②)	20,182	18,866	22,266	26,253	22,122	23,952	16,357	17,019	12,893	13,102	14,043	12,213	13,096	12,525	8,866	9,094	9,435	7,922	9,467
④ NOI (①-②+⑦)	29,943	23,883	28,568	34,767	30,024	30,366	21,988	22,567	17,056	17,801	16,749	14,353	18,385	14,697	11,236	13,665	14,704	15,832	13,280
⑤ Capital expenditure	3,466	1,375	1,239	5,771	6,823	2,939	1,723	-	831	8,529	9,176	4,254	112	385	3,364	2,001	3,811	3,601	5,963
⑥ NCF(④-⑤)	26,477	22,508	27,328	28,995	23,200	27,426	20,265	22,567	16,224	9,272	7,573	10,098	18,273	14,312	7,872	11,663	10,892	12,231	7,316

Property Number	A59	A61	A63	A64	A65	A66	A72	A73	A77	A78	A79	A80	A82	A83	A84	A85	A86	A87	A88
Property Name	Towa City Coop Shin-otsuka II	Bichsel Musashiseki	Towa City Coop Sengencho	Royal Park Omachi	Lexington Square Haginomachi	Visconti Kakuzan	Lexington Square Honjo-Azumabashi	AMS TOWER Minami 6-Jo	Invoice Shin-Kobe Residence	Cosmo Court Motomachi	Revest Honjin	Revest Matsubara	Alba Noritake Shinmachi	Revest Meieki Minami	Revest Heian	Vendir Hamaotsu Ekimae	Salvo Sala	Excellente Kagurazaka	Luna Court Edobori
number of operating days	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181
① Rental revenues	35,962	23,199	58,174	26,517	17,234	10,868	18,515	43,675	50,571	38,310	31,746	24,719	26,586	23,695	23,970	35,075	23,732	18,385	20,406
Rent, common area fees	34,901	21,406	54,446	21,683	15,367	10,028	17,175	41,544	46,396	36,832	29,310	21,903	24,404	21,003	22,999	32,718	22,754	17,797	19,555
Rental revenues (Fixed rent)																			
Rental revenues (Variable rent)																			
Other revenue	1,061	1,792	3,727	4,834	1,867	839	1,339	2,130	4,174	1,478	2,435	2,816	2,182	2,691	971	2,356	977	587	851
② Property related expenses	12,889	8,700	29,030	13,415	9,447	6,126	9,619	25,628	21,737	17,450	14,115	15,015	14,262	14,680	11,373	16,037	11,787	9,321	10,999
Facility management fees (a)	3,748	1,960	13,384	5,033	2,421	2,870	1,613	5,974	2,919	2,610	3,268	3,791	3,400	3,739	2,220	5,374	3,095	1,666	2,685
(of which, repair cost)	149	282	397	229	28	203	13	354	116	67	178	74	162	540	40	51	180	217	321
(of which, utility expenses)	13	453	42	1,730	651	124	349	1,441	435	588	325	279	265	413	245	2,476	841	220	696
Tax and other public charges (b)	1,419	1,191	3,023	1,585	1,163	924	819	2,157	2,682	2,319	1,826	1,917	1,753	1,682	1,410	1,971	1,548	774	1,217
Insurance expenses (c)	103	42	84	48	30	17	28	115	72	73	53	49	50	49	37	67	41	25	35
Depreciation expenses (⑦)	5,397	3,606	7,345	4,451	3,855	1,568	5,317	14,881	11,891	10,324	7,704	7,414	7,177	7,127	6,545	7,366	5,598	4,506	5,595
Other expenses (d)	2,220	1,900	5,192	2,296	1,977	746	1,840	2,498	4,172	2,121	1,262	1,842	1,881	2,080	1,160	1,257	1,503	2,347	1,465
③ Rental income (①-②)	23,073	14,498	29,144	13,101	7,786	4,741	8,896	18,046	28,834	20,859	17,631	9,703	12,324	9,014	12,597	19,037	11,944	9,063	9,406
④ NOI (①-②+⑦)	28,471	18,104	36,489	17,553	11,642	6,309	14,213	32,928	40,725	31,184	25,336	17,117	19,502	16,142	19,142	26,404	17,543	13,570	15,002
⑤ Capital expenditure	3,314	4,061	6,135	7,021	713	2,746	2,882	984	4,413	3,407	2,327	1,286	572	1,789	1,403	1,125	830	2,234	3,015
⑥ NCF(④-⑤)	25,156	14,043	30,353	10,531	10,928	3,562	11,331	31,944	36,312	27,776	23,008	15,830	18,929	14,353	17,739	25,278	16,712	11,335	11,986

# Property Income (2/4)

(in ¥ thousand)

Property Number	A89	A90	A91	A92	A93	A94	A95	A96	A97	A98	A99	A101	A102	A103	A104	A106	subtotal	B17	B18
Property Name	Wintage Kobe Moto machi	Queen's Court Fukuzumi	Corp Higashinotoin	Belair Oimachi	Siete Minami-Tsukaguchi	Prime Life Sannomiya Isogami Koen	HERMITAGE NANBA WEST	Century Park Shinkawa 1-bankan	West Avenue	Little River Honmachi-bashi	Prime Life Mikage	Lieto Court Mukojima	Lieto Court Nishi-Ojima	Royal Parks Momozaka	Royal Parks Shinden	Royal Parks Seasir Minami-Serju		Lexington Plaza Hachiman	AEON TOWN Sukagawa
number of operating days	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	-	181	181
① Rental revenues	22,778	17,407	18,525	14,975	17,374	15,333	16,451	18,334	13,262	13,118	12,579	56,927	49,957	158,764	219,479	118,454	1,840,513	158,023	141,243
Rent, common area fees	21,751	16,306	17,536	14,303	16,380	14,356	15,755	15,807	12,767	12,528	12,474	53,574	48,835	141,530	200,266	108,378	1,697,785	129,544	141,243
Rental revenues (Fixed rent)																			
Rental revenues (Variable rent)																			
Other revenue	1,026	1,101	988	672	994	976	695	2,527	495	589	104	3,353	1,121	17,234	19,212	10,076	142,728	28,479	-
② Property related expenses	11,518	7,098	8,211	6,499	7,372	8,038	7,223	7,806	5,324	7,663	6,205	26,165	20,387	111,806	117,769	71,547	918,037	77,339	93,288
Facility management fees (a)	1,943	1,458	2,343	1,573	1,864	1,315	1,417	1,777	1,272	1,852	1,241	5,156	4,745	51,358	29,546	21,143	254,198	42,463	56,124
(of which, repair cost)	89	16	375	58	45	96	101	38	122	255	153	381	915	736	656	625	13,865	466	-
(of which, utility expenses)	464	162	566	147	257	189	258	206	236	221	133	563	558	1,210	-	947	25,507	29,292	-
Tax and other public charges (b)	1,594	742	947	700	989	855	1,002	849	560	964	771	2,489	2,176	7,645	13,962	5,723	101,307	11,422	6,911
Insurance expenses (c)	43	24	31	20	31	23	27	37	19	25	21	77	61	224	438	190	3,139	132	197
Depreciation expenses (⑦)	5,960	3,372	3,834	2,827	3,412	3,532	3,563	4,482	2,323	2,772	3,168	15,856	12,522	45,660	72,963	41,789	455,905	22,572	29,438
Other expenses (d)	1,977	1,500	1,054	1,378	1,074	2,311	1,213	658	1,148	2,049	1,002	2,584	881	6,917	859	2,699	103,486	748	616
③ Rental income (①-②)	11,259	10,309	10,313	8,475	10,002	7,294	9,227	10,528	7,938	5,454	6,373	30,762	29,569	46,958	101,709	46,906	922,476	80,683	47,955
④ NOI (①-②+⑦)	17,219	13,682	14,147	11,302	13,414	10,827	12,790	15,010	10,261	8,226	9,542	46,618	42,092	92,618	174,672	88,696	1,378,381	103,256	77,394
⑤ Capital expenditure	2,405	126	339	1,216	1,115	2,279	1,565	-	5,131	752	996	3,586	2,192	2,848	15,264	4,752	160,209	24,214	-
⑥ NCF(④-⑤)	14,813	13,555	13,807	10,086	12,299	8,548	11,225	15,010	5,129	7,474	8,545	43,032	39,899	89,770	159,408	83,944	1,218,172	79,042	77,394

Property Number	subtotal	D01	D02	D03	D04	D05	D06	D07	D08	D09	D10	D11	D12	D13	D14	D15	D16	D17	D18
Property Name		Hotel MyStays Kanda	Hotel MyStays Asakusa	Hotel MyStays Kyoto-Shijo	MyStays Shin-Urayasu Conference Center	Hotel MyStays Maihama	Hotel MyStays Premier Dojima	Hotel MyStays Nagoya-Sakae	Hotel MyStays Sakaisuji-Honmachi	Hotel MyStays Yokohama	Hotel MyStays Nippori	Hotel MyStays Fukuoka-Tenjin-Minami	Flexstay Inn Iidabashi	Hotel MyStays Ueno Inaricho	Flexstay Inn Shinagawa	Flexstay Inn Tokiwadai	Flexstay Inn Sugamo	Hotel MyStays Otemae	Hotel MyStays Kiyosumi Shirakawa
number of operating days	-	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181
① Rental revenues	299,267	7,242	7,544	17,973	13,471	13,302	33,310	13,217	8,860	8,292	6,095	5,745	5,371	4,345	3,995	4,937	4,623	3,995	3,283
Rent, common area fees	270,788	7,242	7,544	17,973	13,471	13,302	33,310	13,217	8,860	8,292	6,095	5,745	5,371	4,345	3,995	4,937	4,623	3,995	3,283
Rental revenues (Fixed rent)		7,242	7,544	17,973	13,471	13,302	33,310	13,217	8,860	8,292	6,095	5,745	5,371	4,345	3,995	4,937	4,623	3,995	3,283
Rental revenues (Variable rent)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	28,479	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
② Property related expenses	170,627	29,753	19,640	72,086	55,351	46,603	62,770	47,119	29,265	45,090	15,638	21,158	15,124	13,611	8,753	10,922	12,151	17,304	16,894
Facility management fees (a)	98,587	-	-	-	-	-	10,153	17,163	-	-	-	-	-	-	-	-	-	2,770	-
(of which, repair cost)	466	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,770	-
(of which, utility expenses)	29,292	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax and other public charges (b)	18,333	4,896	3,641	10,938	8,276	3,545	12,236	4,208	6,702	4,504	1,741	5,395	4,400	1,439	1,635	3,366	2,792	3,503	3,689
Insurance expenses (c)	329	65	80	161	153	78	210	186	77	151	43	85	68	32	28	62	50	83	59
Depreciation expenses (⑦)	52,011	24,284	15,402	60,475	46,415	42,472	39,658	25,054	21,981	39,925	13,349	15,174	10,150	11,636	6,585	6,989	8,806	10,442	12,643
Other expenses (d)	1,364	506	515	511	505	507	511	507	503	508	503	503	504	503	503	503	502	504	502
③ Rental income (①-②)	128,639	-22,510	-12,096	-54,112	-41,880	-33,301	-29,460	-33,902	-20,405	-36,797	-9,542	-15,412	-9,753	-9,265	-4,757	-5,985	-7,528	-13,308	-13,610
④ NOI (①-②+⑦)	180,650	1,773	3,306	6,362	4,534	9,171	10,197	-8,847	1,576	3,127	3,807	-238	397	2,370	1,828	1,004	1,277	-2,865	-967
⑤ Capital expenditure	24,214	-	974	5,242	5,646	160	12,146	2,803	779	2,421	916	330	4,189	837	302	1,077	834	22,474	5,012
⑥ NCF(④-⑤)	156,436	1,773	2,331	1,120	-1,111	9,011	-1,949	-11,650	797	706	2,891	-568	-3,792	1,533	1,526	-72	443	-25,340	-5,979

# Property Income (3/4)

(in ¥ thousand)

Property Number	D19	D20	D21	D22	D23	D24	D25	D26	D27	D28	D29	D30	D31	D32	D33	D34	D35	D36	D37
Property Name	Flexstay Inn Nakanobu P1	Flexstay Inn Nakanobu P2	APA Hotel Yokohama-Kannai	Hotel MyStays Hako date-Goryokaku	Flexstay Inn Shirogane	Hotel MyStays Haneda	Hotel MyStays Kameido P1	Hotel MyStays Ueno Iriyaguchi	Hotel MyStays Kameido P2	Hotel MyStays Shimizu	Super Hotel Shinbashi/Karasumoriguchi	Flexstay Inn Higashi-Jujo	Hotel MyStays Utsuno miya	Flexstay Inn Kawasaki-Kaizuka	Comfort Hotel Toyama	Flexstay Inn Kawasaki-Ogawacho	Flexstay Inn Ekoda	Super Hotel Tokyo-JR Tachikawa Kitaguchi	Super Hotel JR Ueno-iriya guchi
number of operating days	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181
① Rental revenues	1,774	989	249,996	7,242	5,431	18,468	17,985	11,467	11,467	7,363	39,426	4,466	7,604	3,742	35,928	3,017	12,227	31,787	27,275
Rent, common area fees	1,774	989	249,996	7,242	5,431	18,468	17,985	11,467	11,467	7,363	39,426	4,466	7,604	3,742	35,928	3,017	12,227	31,787	27,275
Rental revenues (Fixed rent)	1,774	989	212,500	7,242	5,431	18,468	17,985	11,467	11,467	7,363	39,426	4,466	7,604	3,742	35,928	3,017	12,227	31,787	27,275
Rental revenues (Variable rent)	-	-	37,496	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
② Property related expenses	5,539	3,153	88,764	45,274	10,288	66,725	39,404	25,730	31,224	29,168	9,030	9,042	34,239	11,249	13,766	7,084	31,402	13,071	10,037
Facility management fees (a)	-	-	-	-	-	-	-	2,611	-	-	710	-	-	924	157	-	-	1,391	1,070
(of which, repair cost)	-	-	-	-	-	-	-	-	-	702	-	-	-	-	157	-	-	1,091	770
(of which, utility expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax and other public charges (b)	990	555	11,318	5,235	1,603	7,957	6,217	1,056	3,692	4,230	3,159	1,975	13,152	824	3,719	929	4,524	2,743	2,179
Insurance expenses (c)	19	11	210	148	42	146	141	64	88	76	34	40	277	33	69	22	94	45	32
Depreciation expenses (⑦)	4,025	2,084	76,731	39,383	8,138	58,215	32,641	21,592	27,039	24,456	4,717	6,624	20,399	9,062	9,411	5,730	26,379	8,482	6,346
Other expenses (d)	504	502	504	506	503	406	404	404	404	404	407	402	409	404	409	402	404	408	408
③ Rental income (①-②)	-3,765	-2,164	161,231	-38,031	-4,856	-48,257	-21,418	-14,263	-19,757	-21,804	30,396	-4,576	-26,634	-7,507	22,161	-4,066	-19,174	18,715	17,238
④ NOI (①-②+⑦)	260	-79	237,963	1,351	3,282	9,957	11,223	7,329	7,282	2,652	35,113	2,048	-6,235	1,555	31,573	1,663	7,205	27,198	23,584
⑤ Capital expenditure	751	-	403	2,933	318	1,100	1,335	595	496	276	-	7,606	5,616	-	4,808	274	1,083	-	-
⑥ NCF(④-⑤)	-491	-79	237,559	-1,581	2,963	8,857	9,887	6,734	6,786	2,376	35,113	-5,557	-11,851	1,555	26,765	1,389	6,122	27,198	23,584

Property Number	D38	D39	D40	D41	D42	D43	D44	D45	D46	D47	D48	D49	D50	D51	D52	D53	D54	D55	D56
Property Name	Hotel MyStays Shinsaibashi	Comfort Hotel Kuroasaki	Comfort Hotel Maebashi	Comfort Hotel Taubamesanjo	Comfort Hotel Kitami	Hotel MyStays Go lands Station	Hotel Epinard Nasu	Hotel MyStays Fukuo ka Tenjin	Hotel MyStays Hamamatsucho	Hotel MyStays Kanazawa	Takamatsu Tokyu REI Hotel	Hotel MyStays Premier Hamamatsucho	Hotel MyStays Shin Osaka Conference Center	Hotel MyStays Premier Omori	Beppu Kamenoi Hotel	Hotel MyStays Sapporo Station	Hotel MyStays Yokohama Kannai	Art Hotel Joetsu	Art Hotel Hirosaki City
number of operating days	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181
① Rental revenues	7,484	37,894	43,811	34,949	30,300	55,840	38,627	17,744	16,537	29,272	92,699	21,607	38,868	27,763	36,031	26,760	14,183	9,737	10,562
Rent, common area fees	7,484	37,894	43,811	32,861	30,300	54,862	38,627	17,744	16,537	29,272	72,000	21,607	38,868	27,763	36,031	21,124	14,183	9,737	10,562
Rental revenues (Fixed rent)	7,484	37,894	43,811	32,861	30,300	54,862	38,627	17,744	16,537	29,272	72,000	21,607	38,868	27,763	36,031	21,124	14,183	9,737	10,562
Rental revenues (Variable rent)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	2,088	-	978	-	-	-	-	20,699	-	-	-	-	5,636	-	-	-
② Property related expenses	22,958	18,274	26,044	15,296	14,655	68,658	326,822	54,189	39,967	126,550	50,019	37,558	47,092	57,918	133,402	71,448	39,505	40,879	57,009
Facility management fees (a)	-	600	5,703	566	600	8,381	9,335	-	-	-	26,683	-	-	-	-	-	-	-	-
(of which, repair cost)	-	-	-	140	-	-	-	-	-	-	49	-	-	-	-	-	-	-	-
(of which, utility expenses)	-	-	-	-	-	-	-	-	-	-	12,338	-	-	-	-	-	-	-	-
Tax and other public charges (b)	2,603	3,407	1,601	3,697	1,629	17,049	27,107	7,390	6,987	13,855	2,569	10,612	11,580	14,537	11,533	6,698	8,567	5,882	13,087
Insurance expenses (c)	44	66	76	63	60	290	1,007	126	55	282	168	193	443	358	681	254	140	210	527
Depreciation expenses (⑦)	19,909	13,791	18,251	10,555	11,956	42,332	288,955	46,268	32,520	112,008	20,178	26,346	34,646	42,617	121,083	64,087	30,393	34,379	42,981
Other expenses (d)	402	409	412	413	408	604	417	404	403	403	419	406	421	405	103	407	403	406	413
③ Rental income (①-②)	-15,474	19,619	17,766	19,653	15,645	-12,817	-288,195	-36,445	-23,429	-97,278	42,680	-15,951	-8,223	-30,155	-97,370	-44,687	-25,321	-31,142	-46,447
④ NOI (①-②+⑦)	4,434	33,411	36,017	30,208	27,601	29,515	760	9,822	9,090	14,730	62,858	10,394	26,422	12,461	23,713	19,399	5,072	3,237	-3,466
⑤ Capital expenditure	1,270	220	3,616	200	7,750	2,050	8,444	1,120	630	478	10,924	5,296	680	41,855	2,166	1,717	338	4,011	7,497
⑥ NCF(④-⑤)	3,163	33,191	32,401	30,008	19,851	27,465	-7,684	8,702	8,460	14,252	51,934	5,098	25,742	-29,393	21,547	17,682	4,733	-773	-10,963

# Property Income (4/4)

(in ¥ thousand)

Property Number	D57	D58	D59	D60	D61	D62	D63	D64	D65	D66	D67	D68	D69	D70	D71	D72	D73	D74	D75
Property Name	Hotel MyStays Oita	Hotel MyStays Gotanda	Hotel MyStays Tachikawa	Hotel MyStays Premier Akasaka	Hotel MyStays Premier Sapporo Park	Hotel MyStays Ueno East	Hotel MyStays Midosuji Honmachi	Hotel MyStays Sapporo Aspen	Art Hotel Ishigakijima	Hotel MyStays Onsen Resort	Hotel Sonia Otaru	Hotel MyStays Kanazawa Castle	Art Hotel Niigata Station	Hotel MyStays Nagoya Nishiki	Hotel Nord Otaru	Hotel MyStays Kagoshima Tenmonkan	Art Hotel Asahikawa	Hotel MyStays Matsuuyama	Hotel MyStays Sapporo Susukino
number of operating days	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181
① Rental revenues	5,552	11,316	9,445	43,696	34,623	14,022	10,541	41,061	22,110	25,932	11,547	15,390	24,350	13,056	10,220	16,299	9,860	11,386	6,464
Rent, common area fees	5,552	11,316	9,445	43,696	34,623	14,022	10,541	41,061	22,110	25,932	11,547	15,390	20,661	13,056	10,220	16,299	8,489	11,386	6,297
Rental revenues (Fixed rent)	5,552	11,316	9,445	43,696	34,623	14,022	10,541	41,061	22,110	25,932	11,547	15,390	20,661	13,056	10,220	16,299	8,489	11,386	6,297
Rental revenues (Variable rent)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	3,689	-	-	-	1,370	-	167
② Property related expenses	23,864	10,649	22,271	88,525	130,081	32,646	41,269	75,318	66,128	118,467	68,594	24,053	101,110	28,894	39,187	27,150	72,259	52,262	16,079
Facility management fees (a)	-	-	-	-	-	5,182	-	-	-	-	-	-	26,492	-	906	-	7	-	-
(of which, repair cost)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(of which, utility expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6	-	-	-	-
Tax and other public charges (b)	1,933	4,036	6,205	23,407	13,945	4,452	9,051	10,182	9,928	7,091	4,118	4,011	6,019	4,214	3,192	3,401	8,131	4,012	1,037
Insurance expenses (c)	113	63	128	267	611	139	96	524	549	183	209	193	471	175	211	214	748	257	84
Depreciation expenses (⑦)	21,409	6,146	15,532	64,447	115,119	22,466	31,718	64,506	55,241	110,787	63,861	19,444	67,719	24,100	34,468	23,129	62,964	47,588	14,555
Other expenses (d)	408	402	405	402	405	405	402	104	409	404	404	404	407	403	408	404	406	403	402
③ Rental income (①-②)	-18,311	666	-12,826	-44,828	-95,457	-18,624	-30,727	-34,256	-44,018	-92,534	-57,046	-8,663	-76,759	-15,837	-28,967	-10,850	-62,398	-40,875	-9,615
④ NOI (①-②+⑦)	3,097	6,813	2,705	19,619	19,661	3,842	991	30,249	11,222	18,252	6,815	10,781	-9,039	8,263	5,501	12,278	566	6,713	4,939
⑤ Capital expenditure	830	-	2,345	-	3,660	3,635	-	7,417	10,650	106	2,365	1,809	1,346	-	21,991	8,963	14,092	1,284	945
⑥ NCF(④-⑤)	2,267	6,813	360	19,619	16,001	207	991	22,831	571	18,146	4,449	8,972	-10,385	8,263	-16,489	3,315	-13,526	5,429	3,994

Property Number	D76	D77	D78	D79	D80	D81	D82	D83	subtotal	Total
Property Name	Hotel MyStays Sapporo Nakajima Park	Hotel MyStays Sapporo Nakajima Park Annex	Flexstay Inn Sakuragicho	MyCUBE by MYSTAYS Asakusa Kuramae	Hotel MyStays Kagoshima Tenmonkan Annex	Hotel MyStays Nayoro	Hotel MyStays Premier Narita	Art Hotel Morioka		
number of operating days	181	181	181	181	181	181	181	181	-	-
① Rental revenues	5,524	3,868	4,124	3,822	3,742	3,259	30,459	20,767	1,666,395	3,806,176
Rent, common area fees	5,190	3,701	4,124	3,822	3,742	3,259	30,459	20,540	1,631,038	3,599,611
Rental revenues (Fixed rent)	5,190	3,701	4,124	3,822	3,742	3,259	30,459	20,540	1,593,542	
Rental revenues (Variable rent)	-	-	-	-	-	-	-	-	37,496	
Other revenue	334	167	-	-	-	-	-	226	35,357	206,564
② Property related expenses	24,216	14,891	9,547	9,970	8,094	16,299	137,827	100,800	3,632,150	4,720,815
Facility management fees (a)	-	-	-	-	-	-	-	23,400	144,809	497,596
(of which, repair cost)	-	-	-	-	-	-	-	-	5,680	20,011
(of which, utility expenses)	-	-	-	-	-	-	-	-	12,345	67,145
Tax and other public charges (b)	3,347	891	1,446	3,711	861	1,378	6,149	3,947	483,491	603,133
Insurance expenses (c)	193	66	45	60	76	50	1,041	431	15,543	19,012
Depreciation expenses (⑦)	20,273	13,531	7,651	5,794	6,755	14,467	130,229	72,614	2,952,702	3,460,619
Other expenses (d)	402	402	405	402	402	402	406	406	35,602	140,454
③ Rental income (①-②)	-18,692	-11,023	-5,423	-6,147	-4,352	-13,040	-107,368	-80,032	-1,965,755	-914,639
④ NOI (①-②+⑦)	1,580	2,508	2,227	-352	2,402	1,427	22,861	-7,418	986,947	2,545,980
⑤ Capital expenditure	839	167	3,597	338	9,935	-	13,172	7,870	311,367	495,791
⑥ NCF(④-⑤)	741	2,341	-1,369	-690	-7,533	1,427	9,689	-15,288	675,580	2,050,188

Property Number	D200	D201	Total
Property Name	Westin Grand Cayman Seven Mile Beach Resort & Spa (Note 1)	Sunshine Suites Resort (Note1)	Total
number of operating days	181	181	-
① Management contract profits / losses	-358,397	5,558	-352,838
Management contract profits / losses	-358,397	5,558	-352,838
Other revenue	-	-	-
② Property related expenses	418,463	113,428	531,892
Facility management fees (a)	-	-	-
(of which, repair cost)	-	-	-
(of which, utility expenses)	-	-	-
Tax and other public charges (b)	-	-	-
Insurance expenses (c)	82,841	18,952	101,793
Depreciation expenses (⑦)	334,688	94,476	429,164
Other expenses (d)	934	-	934
③ Rental income (①-②)	-776,861	-107,870	-884,731
④ NOI (①-②+⑦)	-442,172	-13,393	-455,566
⑤ Capital expenditure	3,344	1,362	4,706
⑥ NCF(④-⑤)	-445,517	-14,755	-460,273

(Note 1) Using an exchange rate at the time of transaction regarding ①-⑦

# Appraisal Value (1/4)

(in ¥ thousand)

Property Number	Property Name	Acquisition Price	As of the end of December 2020			As of the end of June 2021			Change (Note 1)		Appraiser (Note 2)
			Book Value	Appraisal Value	Cap Rate	Book Value	Appraisal Value	Cap Rate	Appraisal Value	Cap Rate	
A26	Nisshin Palacestage Daitabashi	1,251,830	1,087,246	1,230,000	4.6%	1,080,950	1,230,000	4.5%	-	-0.1pt	Assets R&D
A28	Growth Maison Gotanda	888,200	830,353	1,040,000	4.2%	826,712	1,050,000	4.2%	10,000	-0.1pt	Assets R&D
A29	Growth Maison Kameido	1,070,850	944,310	1,170,000	4.3%	939,248	1,190,000	4.3%	20,000	-0.0pt	Assets R&D
A30	Emerald House	1,505,161	1,314,740	1,430,000	4.5%	1,311,998	1,400,000	4.5%	-30,000	-0.1pt	Assets R&D
A32	Suncrest Shakujii-Koen	1,088,979	1,051,773	1,110,000	4.6%	1,050,696	1,150,000	4.6%	40,000	-0.1pt	Assets R&D
A33	Growth Maison Shin-Yokohama	1,059,457	926,797	1,180,000	4.6%	923,323	1,180,000	4.6%	-	-	Assets R&D
A34	Belle Face Ueno-Okachimachi	1,023,074	917,139	1,090,000	4.1%	913,231	1,080,000	4.1%	-10,000	-0.1pt	Assets R&D
A35	Grand Rire Kameido	906,121	787,734	1,010,000	4.5%	782,187	1,020,000	4.5%	10,000	-0.1pt	Assets R&D
A37	Growth Maison Yoga	795,986	720,981	784,000	4.2%	717,650	794,000	4.2%	10,000	-0.1pt	Assets R&D
A38	Route Tachikawa	676,951	631,682	675,000	4.6%	635,512	660,000	4.6%	-15,000	-	Assets R&D
A39	Shibuya-Honmachi Mansion	651,474	697,601	669,000	4.6%	704,071	678,000	4.6%	9,000	-0.1pt	Assets R&D
A40	City Heights Kinuta	646,337	651,192	561,000	4.6%	653,306	571,000	4.6%	10,000	-0.1pt	Assets R&D
A41	Acseeds Tower Kawaguchi-Namiki	620,893	512,666	769,000	5.0%	507,489	766,000	5.0%	-3,000	-	Assets R&D
A43	College Square Machida	589,553	560,060	507,000	5.2%	558,273	507,000	5.2%	-	-	Assets R&D
A44	Belair Meguro	589,004	545,080	632,000	4.0%	546,075	633,000	4.0%	1,000	-0.1pt	Assets R&D
A45	Wacore Tsunashima I	572,914	513,485	527,000	4.8%	510,916	532,000	4.8%	5,000	-	Assets R&D
A46	Foros Nakamurabashi	566,980	498,566	589,000	4.4%	497,109	596,000	4.4%	7,000	-0.1pt	Assets R&D
A47	Growth Maison Kaijin	557,256	530,242	521,000	4.9%	525,933	525,000	4.9%	4,000	-	Assets R&D
A48	College Square Machiya	510,721	434,825	567,000	4.4%	436,976	574,000	4.4%	7,000	-0.1pt	Assets R&D
A59	Towa City Coop Shin-otsuka II	866,000	797,442	1,280,000	4.3%	795,359	1,310,000	4.2%	30,000	-0.1pt	JREI
A61	Bichsel Musashiseki	577,000	564,611	848,000	4.0%	565,066	865,000	3.9%	17,000	-0.1pt	Morii
A63	Towa City Coop Sengencho	1,110,000	1,007,078	1,440,000	4.9%	1,005,868	1,460,000	4.8%	20,000	-0.1pt	JREI
A64	Royal Park Omachi	415,000	382,989	679,000	5.1%	385,559	683,000	5.0%	4,000	-0.1pt	JREI
A65	Lexington Square Haginomachi	330,000	267,007	425,000	5.2%	263,865	433,000	5.1%	8,000	-0.1pt	JREI
A66	Visconti Kakuozan	255,000	228,990	296,000	4.7%	230,169	298,000	4.6%	2,000	-0.1pt	Tanizawa
A72	Lexington Square Honjo-Azumabashi	511,000	414,755	668,000	3.9%	412,320	684,000	3.8%	16,000	-0.1pt	Tanizawa
A73	AMS TOWER Minami 6-Jo	1,180,000	892,685	1,240,000	4.8%	878,788	1,240,000	4.7%	-	-0.1pt	Tanizawa
A77	Invoice Shin-Kobe Residence	1,260,000	1,113,991	1,510,000	4.4%	1,106,513	1,550,000	4.3%	40,000	-0.1pt	JREI
A78	Cosmo Court Motomachi	973,000	847,622	1,170,000	4.3%	840,705	1,200,000	4.2%	30,000	-0.1pt	JREI
A79	Revest Honjin	674,000	581,337	858,000	5.0%	575,960	875,000	4.9%	17,000	-0.1pt	JREI
A80	Revest Matsubara	657,000	571,714	879,000	4.6%	565,587	867,000	4.6%	-12,000	-	JREI
A82	Alba Noritake Shinmachi	608,000	523,105	784,000	4.5%	516,499	792,000	4.4%	8,000	-0.1pt	JREI
A83	Revest Meieki Minami	597,000	511,472	813,000	4.3%	506,134	832,000	4.2%	19,000	-0.1pt	JREI
A84	Revest Heian	595,000	514,415	760,000	4.5%	509,273	782,000	4.4%	22,000	-0.1pt	JREI
A85	Vendir Hamaotsu Ekimae	581,000	490,682	814,000	5.3%	484,441	841,000	5.2%	27,000	-0.1pt	JREI
A86	Salvo Sala	544,000	475,855	681,000	4.6%	471,087	697,000	4.5%	16,000	-0.1pt	JREI

(Note 1) With regard to "increase / decrease", we calculate it excluding properties acquired / sold during the period

(Note 2) The names of the appraisers in the chart are abridged. Official names are as follows: Assets R&D: Assets Research and Development Inc., JREI: Japan Real Estate Institute, Morii: JLL Morii Valuation & Advisory K.K., Tanizawa : The Tanizawa Sōgō Appraisal Co., Ltd., Daiwa : Daiwa Real Estate Appraisal Co., Ltd.

(Note 3) Includes JPY1,849million for acquisition of additional floor as of October 31 2017.

(Note 4) For the overseas hotels, the book values as of May 9, 2019 when INV acquired the leasehold interest of the hotels directly is deemed the acquisition price of these properties, which are calculated using an exchange rate of USD1 = JPY110.45 fixed by the foreign exchange forward contract executed on July 26, 2018 denominated in Japanese Yen. Moreover, the book value is calculated by subtracting the accumulated amount of depreciation from the total of acquisition price, acquisition cost and CAPEX. The payment in USD is converted in JPY using an exchange rate at the time of transaction. Appraisal values for December 2020 FP and June 2021 are converted into JPY using the exchange rates of USD 1 = JPY 103.50 and JPY 110.58 respectively, which are the rates on closing date of each fiscal period.

(Note 5) The amount of acquisition price, book value and appraisal value is rounded down to the nearest thousand yen. Percentages are rounded to one decimal place

# Appraisal Value (2/4)

(in ¥ thousand)

Property Number	Property Name	Acquisition Price	As of the end of December 2020			As of the end of June 2021			Change (Note 1)		Appraiser (Note 2)
			Book Value	Appraisal Value	Cap Rate	Book Value	Appraisal Value	Cap Rate	Appraisal Value	Cap Rate	
A87	Excellente Kagurazaka	543,000	497,177	714,000	3.7%	494,905	735,000	3.6%	21,000	-0.1pt	JREI
A88	Luna Court Edobori	525,000	463,828	618,000	4.5%	461,248	632,000	4.4%	14,000	-0.1pt	JREI
A89	Winntage Kobe Motomachi	512,000	442,163	653,000	4.4%	438,608	666,000	4.3%	13,000	-0.1pt	JREI
A90	Queen's Court Fukuzumi	456,000	418,348	705,000	3.8%	415,102	717,000	3.7%	12,000	-0.1pt	JREI
A91	Corp Higashino toin	446,000	396,911	551,000	4.3%	393,417	559,000	4.2%	8,000	-0.1pt	JREI
A92	Belair Oimachi	412,000	380,867	583,000	3.8%	379,256	599,000	3.7%	16,000	-0.1pt	JREI
A93	Siete Minami-Tsukaguchi	374,000	338,385	465,000	4.6%	336,088	470,000	4.5%	5,000	-0.1pt	JREI
A94	Prime Life Sannomiya Isogami Koen	373,000	332,306	489,000	4.3%	331,053	495,000	4.2%	6,000	-0.1pt	JREI
A95	HERMITAGE NANBA WEST	355,000	314,225	477,000	4.5%	312,227	489,000	4.4%	12,000	-0.1pt	JREI
A96	Century Park Shinkawa 1-bankan	335,000	306,006	473,000	4.9%	301,524	477,000	4.8%	4,000	-0.1pt	JREI
A97	West Avenue	331,000	306,929	350,000	4.7%	309,738	358,000	4.6%	8,000	-0.1pt	JREI
A98	Little River Honmachibashi	310,000	276,470	421,000	4.3%	274,450	432,000	4.2%	11,000	-0.1pt	JREI
A99	Prime Life Mikage	297,000	265,249	352,000	4.6%	263,077	360,000	4.5%	8,000	-0.1pt	JREI
A101	Lieto Court Mukojima	1,683,000	1,632,278	2,050,000	4.1%	1,620,008	2,100,000	4.0%	50,000	-0.1pt	JREI
A102	Lieto Court Nishi-Ojima	1,634,000	1,580,211	2,010,000	3.9%	1,569,881	2,060,000	3.8%	50,000	-0.1pt	JREI
A103	Royal Parks Momozaka	2,910,000	2,657,366	3,290,000	4.1%	2,614,554	3,280,000	4.0%	-10,000	-0.1pt	Morii
A104	Royal Parks Shinden	5,024,000	4,746,174	5,870,000	4.3%	4,688,475	5,980,000	4.2%	110,000	-0.1pt	Morii
A106	Royal Parks Seasir Minami-Senju	2,683,000	2,596,590	2,960,000	5.1%	2,559,552	3,070,000	5.0%	110,000	-0.1pt	JREI
	Subtotal of Residential	46,507,748	42,293,729	54,237,000	-	41,998,033	55,024,000	-	787,000	-	-
B17	Lexington Plaza Hachiman	3,280,000	2,980,740	3,660,000	5.4%	2,982,382	3,660,000	5.4%	-	-	Morii
B18	AEON TOWN Sukagawa	2,320,000	1,708,486	2,380,000	6.1%	1,679,047	2,380,000	6.1%	-	-	Morii
	Subtotal of Offices and Commercial Facilities	5,600,000	4,689,226	6,040,000	-	4,661,429	6,040,000	-	-	-	-
D01	Hotel MyStays Kanda	2,851,000	2,897,321	4,920,000	4.2%	2,873,036	4,920,000	4.2%	-	-	JREI
D02	Hotel MyStays Asakusa	2,584,000	2,500,371	4,410,000	4.4%	2,485,943	4,410,000	4.4%	-	-	JREI
D03	Hotel MyStays Kyoto-Shijo	6,024,460	5,710,340	9,960,000	4.7%	5,655,106	9,460,000	4.7%	-500,000	-	JREI
D04	MyStays Shin-Urayasu Conference Center	4,930,200	4,539,144	7,200,000	4.9%	4,498,376	7,200,000	4.9%	-	-	JREI
D05	Hotel MyStays Maihama	4,870,312	4,659,902	6,770,000	4.6%	4,617,590	6,810,000	4.6%	40,000	-	JREI
D06	Hotel MyStays Premier Dojima	3,845,400	3,659,626	6,650,000	4.5%	3,632,115	6,680,000	4.5%	30,000	-	JREI
D07	Hotel MyStays Nagoya-Sakae	2,958,000	2,572,617	5,530,000	5.2%	2,550,365	5,530,000	5.2%	-	-	JREI
D08	Hotel MyStays Sakaisuji-Honmachi	2,514,820	2,320,518	4,000,000	4.7%	2,299,316	3,780,000	4.7%	-220,000	-	JREI
D09	Hotel MyStays Yokohama	2,119,900	2,260,922	3,890,000	5.6%	2,223,418	3,890,000	5.6%	-	-	JREI
D10	Hotel MyStays Nippori	1,898,540	1,776,354	2,510,000	4.5%	1,763,920	2,510,000	4.5%	-	-	JREI
D11	Hotel MyStays Fukuoka-Tenjin-Minami	1,570,520	1,443,457	5,560,000	4.7%	1,428,612	5,560,000	4.7%	-	-	JREI
D12	Flexstay Inn Iidabashi	1,381,660	1,335,048	2,090,000	4.3%	1,329,087	2,100,000	4.3%	10,000	-	JREI
D13	Hotel MyStays Ueno Inaricho	1,331,960	1,220,407	2,010,000	4.3%	1,209,608	2,010,000	4.3%	-	-	JREI
D14	Flexstay Inn Shinagawa	1,242,500	1,187,799	1,980,000	4.4%	1,181,515	1,980,000	4.4%	-	-	JREI

(Note 1) With regard to "increase / decrease", we calculate it excluding properties acquired / sold during the period

(Note 2) The names of the appraisers in the chart are abridged. Official names are as follows: Assets R&D: Assets Research and Development Inc., JREI: Japan Real Estate Institute, Morii: JLL Morii Valuation & Advisory K.K., Tanizawa : The Tanizawa Sōgō Appraisal Co., Ltd., Daiwa : Daiwa Real Estate Appraisal Co., Ltd.

(Note 3) Includes JPY1,849million for acquisition of additional floor as of October 31 2017.

(Note 4) For the overseas hotels, the book values as of May 9, 2019 when INV acquired the leasehold interest of the hotels directly is deemed the acquisition price of these properties, which are calculated using an exchange rate of USD1 = JPY110.45 fixed by the foreign exchange forward contract executed on July 26, 2018 denominated in Japanese Yen. Moreover, the book value is calculated by subtracting the accumulated amount of depreciation from the total of acquisition price, acquisition cost and CAPEX. The payment in USD is converted in JPY using an exchange rate at the time of transaction. Appraisal values for December 2020 FP and June 2021 are converted into JPY using the exchange rates of USD 1 = JPY 103.50 and JPY 110.58 respectively, which are the rates on closing date of each fiscal period.

(Note 5) The amount of acquisition price, book value and appraisal value is rounded down to the nearest thousand yen. Percentages are rounded to one decimal place



# Appraisal Value (3/4)

(in ¥ thousand)

Property Number	Property Name	Acquisition Price	As of the end of December 2020			As of the end of June 2021			Change (Note 1)		Appraiser (Note 2)
			Book Value	Appraisal Value	Cap Rate	Book Value	Appraisal Value	Cap Rate	Appraisal Value	Cap Rate	
D15	Flexstay Inn Tokiwadai	1,242,500	1,190,523	2,140,000	4.7%	1,184,610	2,140,000	4.7%	-	-	JREI
D16	Flexstay Inn Sugamo	1,192,800	1,099,850	2,260,000	4.5%	1,091,878	2,260,000	4.5%	-	-	JREI
D17	Hotel MyStays Otemae	1,192,800	1,124,144	2,430,000	5.1%	1,136,176	2,410,000	5.1%	-20,000	-	JREI
D18	Hotel MyStays Kiyosumi Shirakawa	749,476	876,491	1,500,000	4.5%	868,860	1,490,000	4.6%	-10,000	0.1pt	JREI
D19	Flexstay Inn Nakanobu P1	589,442	557,976	803,000	4.7%	554,703	810,000	4.7%	7,000	-	JREI
D20	Flexstay Inn Nakanobu P2	283,290	282,100	387,000	4.7%	280,015	390,000	4.7%	3,000	-	JREI
D21	APA Hotel Yokohama-Kannai	8,350,000	7,530,702	9,930,000	4.2%	7,454,374	9,930,000	4.2%	-	-	JREI
D22	Hotel MyStays Hakodate-Goryokaku	2,792,000	2,735,507	3,900,000	5.2%	2,699,057	3,910,000	5.2%	10,000	-	JREI
D23	Flexstay Inn Shirogane	2,119,000	2,076,116	2,360,000	4.4%	2,068,295	2,360,000	4.4%	-	-	JREI
D24	Hotel MyStays Haneda	7,801,000	7,185,227	8,590,000	4.1%	7,128,111	8,390,000	4.2%	-200,000	0.1pt	JREI
D25	Hotel MyStays Kameido P1	5,594,000	5,313,792	7,370,000	4.5%	5,282,486	7,210,000	4.6%	-160,000	0.1pt	JREI
D26	Hotel MyStays Ueno Iriyaguchi	3,821,000	3,644,531	3,760,000	4.5%	3,623,533	3,760,000	4.5%	-	-	JREI
D27	Hotel MyStays Kameido P2	3,742,000	3,535,857	4,920,000	4.5%	3,509,314	4,820,000	4.6%	-100,000	0.1pt	JREI
D28	Hotel MyStays Shimizu	2,198,000	2,091,271	2,380,000	5.5%	2,067,090	2,390,000	5.5%	10,000	-	JREI
D29	Super Hotel Shinbashi/ Karasumoriguchi	1,624,000	1,580,639	1,940,000	3.6%	1,575,921	1,940,000	3.6%	-	-	JREI
D30	Flexstay Inn Higashi-Jujo	1,277,000	1,264,140	1,300,000	4.7%	1,265,121	1,300,000	4.7%	-	-	JREI
D31	Hotel MyStays Utsunomiya	1,237,000	1,207,045	1,990,000	5.4%	1,192,262	2,010,000	5.4%	20,000	-	JREI
D32	Flexstay Inn Kawasaki-Kaizuka	980,000	891,690	1,110,000	4.8%	882,628	1,110,000	4.8%	-	-	JREI
D33	Comfort Hotel Toyama	979,000	902,561	1,160,000	5.0%	897,957	1,160,000	5.0%	-	-	JREI
D34	Flexstay Inn Kawasaki-Ogawacho	906,000	871,868	890,000	4.6%	866,412	891,000	4.6%	1,000	-	JREI
D35	Flexstay Inn Ekoda	5,069,000	4,805,935	4,580,000	4.7%	4,780,638	4,580,000	4.7%	-	-	JREI
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	1,170,000	1,088,910	1,240,000	4.2%	1,080,428	1,240,000	4.2%	-	-	Daiwa
D37	Super Hotel JR Ueno-iriyaguchi	1,130,000	1,070,912	1,210,000	3.8%	1,064,566	1,180,000	3.9%	-30,000	0.1pt	Daiwa
D38	Hotel MyStays Shinbashi	3,160,000	3,006,489	2,580,000	4.9%	2,987,850	2,460,000	4.9%	-120,000	-	JREI
D39	Comfort Hotel Kurotsuki	1,148,000	1,039,765	1,240,000	5.1%	1,026,194	1,240,000	5.1%	-	-	Daiwa
D40	Comfort Hotel Maebashi	1,128,000	1,001,080	1,120,000	4.9%	986,665	1,120,000	4.9%	-	-	Daiwa
D41	Comfort Hotel Tsubamesanjo	1,010,000	927,303	1,090,000	5.1%	916,947	1,100,000	5.1%	10,000	-	Daiwa
D42	Comfort Hotel Kitami	851,000	771,705	923,000	5.3%	767,499	912,000	5.3%	-11,000	-	Daiwa
D43	Hotel MyStays Gotanda Station (Note 3)	26,523,000	26,309,713	23,900,000	4.9%	26,269,430	23,700,000	4.9%	-200,000	-	Morii
D44	Hotel Epinard Nasu	20,981,000	19,394,826	22,700,000	5.9%	19,114,315	22,700,000	5.9%	-	-	Morii
D45	Hotel MyStays Fukuoka Tenjin	8,059,000	7,829,670	8,110,000	4.8%	7,784,522	7,990,000	4.8%	-120,000	-	Morii
D46	Hotel MyStays Hamamatsucho	7,959,000	7,878,909	6,220,000	4.6%	7,847,018	6,120,000	4.6%	-100,000	-	Morii
D47	Hotel MyStays Premier Kanazawa	13,761,000	12,800,199	12,800,000	5.3%	12,688,668	12,800,000	5.3%	-	-	Morii
D48	Takamatsu Tokyu REI Hotel	2,139,000	2,103,424	2,240,000	5.0%	2,094,170	2,240,000	5.0%	-	-	Daiwa
D49	Hotel MyStays Premier Hamamatsucho	8,000,000	7,988,686	10,300,000	4.2%	7,967,635	10,400,000	4.2%	100,000	-	JREI
D50	Hotel MyStays Shin Osaka Conference Center	13,068,000	12,889,609	12,800,000	4.8%	12,855,642	12,800,000	4.8%	-	-	Tanizawa

(Note 1) With regard to "increase / decrease", we calculate it excluding properties acquired / sold during the period

(Note 2) The names of the appraisers in the chart are abridged. Official names are as follows: Assets R&D: Assets Research and Development Inc., JREI: Japan Real Estate Institute, Morii: JLL Morii Valuation & Advisory K.K., Tanizawa: The Tanizawa Sōgō Appraisal Co., Ltd., Daiwa: Daiwa Real Estate Appraisal Co., Ltd.

(Note 3) Includes JPY1,849million for acquisition of additional floor as of October 31 2017.

(Note 4) For the overseas hotels, the book values as of May 9, 2019 when INV acquired the leasehold interest of the hotels directly is deemed the acquisition price of these properties, which are calculated using an exchange rate of USD1 = JPY110.45 fixed by the foreign exchange forward contract executed on July 26, 2018 denominated in Japanese Yen. Moreover, the book value is calculated by subtracting the accumulated amount of depreciation from the total of acquisition price, acquisition cost and CAPEX. The payment in USD is converted in JPY using an exchange rate at the time of transaction. Appraisal values for December 2020 FP and June 2021 are converted into JPY using the exchange rates of USD 1 = JPY 103.50 and JPY 110.58 respectively, which are the rates on closing date of each fiscal period.

(Note 5) The amount of acquisition price, book value and appraisal value is rounded down to the nearest thousand yen. Percentages are rounded to one decimal place

# Appraisal Value (4/4)

(in ¥ thousand)

Property Number	Property Name	Acquisition Price	As of the end of December 2020			As of the end of June 2021			Change (Note 1)		Appraiser (Note 2)
			Book Value	Appraisal Value	Cap Rate	Book Value	Appraisal Value	Cap Rate	Appraisal Value	Cap Rate	
D51	Hotel MyStays Premier Omori	9,781,000	9,723,934	9,620,000	4.6%	9,723,173	9,640,000	4.6%	20,000	-	Tanizawa
D52	Beppu Kamenoi Hotel	8,870,000	8,018,317	8,670,000	6.3%	7,899,399	8,670,000	6.3%	-	-	Tanizawa
D53	Hotel MyStays Sapporo Station	7,880,000	7,686,587	8,180,000	4.7%	7,624,217	8,180,000	4.7%	-	-	Tanizawa
D54	Hotel MyStays Yokohama Kannai	5,326,000	5,174,469	5,250,000	4.6%	5,144,414	5,250,000	4.6%	-	-	Tanizawa
D55	Art Hotel Joetsu	2,772,000	2,661,528	2,670,000	6.1%	2,631,159	2,690,000	6.1%	20,000	-	Tanizawa
D56	Art Hotel Hirosaki City	2,723,000	2,566,309	2,630,000	6.2%	2,530,825	2,740,000	6.2%	110,000	-	Tanizawa
D57	Hotel MyStays Oita	1,604,000	1,509,412	1,560,000	6.0%	1,488,833	1,560,000	6.0%	-	-	Tanizawa
D58	Hotel MyStays Gotanda	4,068,000	4,055,741	3,920,000	4.4%	4,049,594	3,920,000	4.4%	-	-	Tanizawa
D59	Hotel MyStays Tachikawa	3,257,000	3,206,586	3,310,000	4.3%	3,193,399	3,320,000	4.3%	10,000	-	Daiwa
D60	Hotel MyStays Premier Akasaka	20,691,000	20,413,248	23,200,000	3.8%	20,348,800	23,200,000	3.8%	-	-	JREI
D61	Hotel MyStays Premier Sapporo Park	16,731,000	16,268,011	16,100,000	4.8%	16,156,552	16,100,000	4.8%	-	-	Tanizawa
D62	Hotel MyStays Ueno East	5,286,000	5,190,663	5,110,000	4.4%	5,171,831	5,110,000	4.4%	-	-	Tanizawa
D63	Hotel MyStays Midosuji Honmachi	5,039,000	4,902,775	3,920,000	4.4%	4,871,057	3,710,000	4.4%	-210,000	-	JREI
D64	Hotel MyStays Sapporo Aspen	15,543,000	15,399,209	14,900,000	4.8%	15,342,120	14,900,000	4.8%	-	-	Tanizawa
D65	Art Hotel Ishigakijima	9,731,000	9,605,565	9,290,000	5.3%	9,560,975	9,310,000	5.3%	20,000	-	JREI
D66	Hotel MyStays Fuji Onsen Resort	9,405,000	9,104,897	9,750,000	5.3%	8,994,217	9,760,000	5.3%	10,000	-	JREI
D67	Hotel Sonia Otaru	5,930,000	5,761,691	5,670,000	5.4%	5,700,194	5,700,000	5.4%	30,000	-	Tanizawa
D68	Hotel MyStays Kanazawa Castle	5,682,000	5,645,573	5,410,000	5.4%	5,627,938	5,410,000	5.4%	-	-	Tanizawa
D69	Art Hotel Niigata Station	5,524,000	5,476,962	5,340,000	5.6%	5,410,588	5,340,000	5.6%	-	-	Tanizawa
D70	Hotel MyStays Nagoya Nishiki	5,197,000	5,138,776	5,110,000	4.4%	5,114,675	5,000,000	4.4%	-110,000	-	Morii
D71	Hotel Nord Otaru	4,296,000	4,213,202	4,050,000	5.5%	4,200,725	4,050,000	5.5%	-	-	Tanizawa
D72	Hotel MyStays Kagoshima Tenmonkan	3,445,000	3,390,737	3,390,000	5.0%	3,376,571	3,400,000	5.0%	10,000	-	Daiwa
D73	Art Hotel Asahikawa	3,197,000	3,043,955	3,040,000	5.6%	2,995,083	3,080,000	5.6%	40,000	-	Tanizawa
D74	Hotel MyStays Matsuyama	3,098,000	2,975,194	3,160,000	5.3%	2,928,889	3,160,000	5.3%	-	-	Daiwa
D75	Hotel MyStays Sapporo Susukino	3,059,000	3,024,365	2,970,000	4.8%	3,010,756	2,930,000	4.8%	-40,000	-	Morii
D76	Hotel MyStays Sapporo Nakajima Park	2,118,000	2,072,869	2,060,000	4.8%	2,053,435	1,970,000	4.9%	-90,000	0.1pt	Morii
D77	Hotel MyStays Sapporo Nakajima Park Annex	1,584,000	1,552,679	1,520,000	5.0%	1,539,314	1,520,000	5.0%	-	-	Tanizawa
D78	Flexstay Inn Sakuragicho	1,425,000	1,410,782	1,450,000	4.3%	1,406,728	1,450,000	4.3%	-	-	Daiwa
D79	MyCUBE by MYSTAYS Asakusa Kuramae	1,287,000	1,278,765	1,260,000	4.1%	1,273,308	1,270,000	4.1%	10,000	-	Daiwa
D80	Hotel MyStays Kagoshima Tenmonkan Annex	1,168,000	1,155,692	1,190,000	5.0%	1,158,872	1,190,000	5.0%	-	-	Daiwa
D81	Hotel MyStays Nayoro	957,000	921,997	932,000	5.6%	907,529	930,000	5.6%	-2,000	-	Morii
D82	Hotel MyStays Premier Narita	10,593,000	10,396,793	10,200,000	4.9%	10,279,736	10,100,000	4.9%	-100,000	-	Tanizawa
D83	Art Hotel Morioka	5,643,000	5,533,787	5,400,000	5.3%	5,469,043	5,400,000	5.3%	-	-	Morii
D200	Westin Grand Cayman Seven Mile Beach Resort & Spa (Note 4)	30,061,308	29,476,127	32,788,800	8.3%	29,144,783	35,031,744	8.3%	2,242,944	-	CBRE
D201	Sunshine Suites Resort (Note 4)	5,842,674	5,660,419	5,909,850	8.8%	5,567,305	6,391,524	8.8%	481,674	-	CBRE
	Subtotal of Hotels	432,763,563	418,570,646	470,583,650	-	415,505,072	471,486,268	-	902,618	-	-
	Total	484,871,311	465,553,602	530,860,650	-	462,164,535	532,550,268	-	1,689,618	-	-

(Note 1) With regard to "increase / decrease", we calculate it excluding properties acquired / sold during the period

(Note 2) The names of the appraisers in the chart are abridged. Official names are as follows: Assets R&D: Assets Research and Development Inc., JREI: Japan Real Estate Institute, Morii: JLL Morii Valuation & Advisory K.K., Tanizawa: The Tanizawa Sōgō Appraisal Co., Ltd., Daiwa: Daiwa Real Estate Appraisal Co., Ltd.

(Note 3) Includes JPY1,849million for acquisition of additional floor as of October 31 2017.

(Note 4) For the overseas hotels, the book values as of May 9, 2019 when INV acquired the leasehold interest of the hotels directly is deemed the acquisition price of these properties, which are calculated using an exchange rate of USD1 = JPY110.45 fixed by the foreign exchange forward contract executed on July 26, 2018 denominated in Japanese Yen. Moreover, the book value is calculated by subtracting the accumulated amount of depreciation from the total of acquisition price, acquisition cost and CAPEX. The payment in USD is converted in JPY using an exchange rate at the time of transaction. Appraisal values for December 2020 FP and June 2021 are converted into JPY using the exchange rates of USD 1 = JPY 103.50 and JPY 110.58 respectively, which are the rates on closing date of each fiscal period.

(Note 5) The amount of acquisition price, book value and appraisal value is rounded down to the nearest thousand yen. Percentages are rounded to one decimal place

# Portfolio Properties (1/4)

Property Number (Note 1)	Property Name	Address	Acquisition Date	Completion Date	Renovation Period (Hotel only)	Acquisition Price (JP Y mn) (Note 2)	Investment Ratio (%) (Note 3)	Rentable Unit (Note 4)	Leasable Area (m <sup>2</sup> ) (Note 5)	Leased Area (m <sup>2</sup> ) (Note 5)	Total Number of Tenants	Occupancy Rate (%)
A26	Nisshin Palacestage Daitabashi	Suginami-ku, Tokyo	Jul 28, 2005	Dec 1992	-	1,251	0.2	98	1,771.13	1,607.57	1	90.8
A28	Growth Maison Gotanda	Shinagawa-ku, Tokyo	Jan 30, 2006	Jul 2005	-	888	0.2	48	1,051.50	1,051.50	1	100.0
A29	Growth Maison Kameido	Koto-ku, Tokyo	Mar 30, 2006	Oct 2005	-	1,070	0.2	66	1,367.96	1,265.12	1	92.5
A30	Emerald House	Itabashi-ku, Tokyo	Aug 1, 2006	Feb 1995	-	1,505	0.3	96	2,152.31	2,152.31	1	100.0
A32	Suncrest Shakujii-Koen	Nerima-ku, Tokyo	Aug 3, 2006	Mar 1990	-	1,088	0.2	29	3,029.16	3,029.16	1	100.0
A33	Growth Maison Shin-Yokohama	Yokohama, Kanagawa	Aug 3, 2006	Mar 2006	-	1,059	0.2	68	1,858.44	1,746.06	1	94.0
A34	Belle Face Ueno-Okachimachi	Taito-ku, Tokyo	Aug 1, 2006	Feb 2006	-	1,023	0.2	64	1,351.11	1,351.11	1	100.0
A35	Grand Rire Kameido	Koto-ku, Tokyo	Aug 3, 2006	Mar 2006	-	906	0.2	72	1,562.26	1,562.26	1	100.0
A37	Growth Maison Yoga	Setagaya-ku, Tokyo	Aug 3, 2006	Mar 2006	-	795	0.2	39	1,015.34	937.89	1	92.4
A38	Route Tachikawa	Tachikawa, Tokyo	Aug 3, 2006	Mar 1997	-	676	0.1	24	1,368.57	1,368.57	1	100.0
A39	Shibuya-Honmachi Mansion	Shibuya-ku, Tokyo	Aug 3, 2006	Dec 1986	-	651	0.1	25	1,167.50	1,079.02	1	92.4
A40	City Heights Kinuta	Setagaya-ku, Tokyo	Aug 3, 2006	Mar 1983	-	646	0.1	19	1,235.93	1,235.93	1	100.0
A41	Acseeds Tower Kawaguchi-Namiki	Kawaguchi, Saitama	Aug 3, 2006	Feb 2006	-	620	0.1	57	1,210.74	1,146.84	1	94.7
A43	College Square Machida	Machida, Tokyo	Aug 1, 2006	Mar 1984	-	589	0.1	62	1,047.75	1,047.75	1	100.0
A44	Belair Meguro	Meguro-ku, Tokyo	Aug 1, 2006	Oct 2005	-	589	0.1	25	557.05	534.64	1	96.0
A45	Wacore Tsunashima I	Yokohama, Kanagawa	Aug 3, 2006	Feb 1991	-	572	0.1	50	907.46	815.49	1	89.9
A46	Foros Nakamurahashi	Nerima-ku, Tokyo	Aug 3, 2006	Sep 2001	-	566	0.1	37	815.77	815.77	1	100.0
A47	Growth Maison Kaijin	Funabashi, Chiba	Aug 1, 2006	Oct 1993	-	557	0.1	34	2,040.27	2,040.27	1	100.0
A48	College Square Machiya	Arakawa-ku, Tokyo	Aug 3, 2006	Mar 2006	-	510	0.1	43	871.35	871.35	1	100.0
A59	Towa City Coop Shin-otsuka II	Toshima-ku, Tokyo	Feb 1, 2010	May 1993	-	866	0.2	58	1,627.13	1,607.75	1	98.8
A61	Bichsel Musashiseki	Nerima-ku, Tokyo	Feb 1, 2010	Feb 1992	-	577	0.1	70	1,220.24	1,082.34	1	88.7
A63	Towa City Coop Sengencho	Yokohama, Kanagawa	Feb 1, 2010	Oct 1992	-	1,110	0.2	154	3,426.36	3,275.44	1	95.6
A64	Royal Park Omachi	Sendai, Miyagi	Feb 1, 2010	Feb 1993	-	415	0.1	51	1,929.59	1,865.35	1	96.7
A65	Lexington Square Haginomachi	Sendai, Miyagi	Feb 1, 2010	Aug 2005	-	330	0.1	39	1,528.58	1,528.58	1	100.0
A66	Visconti Kakuozan	Nagoya, Aichi	Feb 1, 2010	Sep 2003	-	255	0.1	8	705.75	536.38	1	76.0
A72	Lexington Square Honjo-Azumabashi	Sumida-ku, Tokyo	Feb 1, 2010	Oct 2006	-	511	0.1	33	784.74	736.64	1	93.9
A73	AMS TOWER Minami 6-Jo	Sapporo, Hokkaido	Feb 1, 2010	Feb 2007	-	1,180	0.2	120	4,460.56	4,015.46	1	90.0
A77	Invoice Shin-Kobe Residence	Kobe, Hyogo	Sep 28, 2012	Jan 2007	-	1,260	0.3	81	2,773.71	2,695.77	1	97.2
A78	Cosmo Court Motomachi	Kobe, Hyogo	Sep 28, 2012	Mar 2007	-	973	0.2	82	2,310.49	2,167.02	1	93.8
A79	Revest Honjin	Nagoya, Aichi	Sep 28, 2012	Mar 2007	-	674	0.1	80	1,933.80	1,813.35	1	93.8
A80	Revest Matsubara	Nagoya, Aichi	Sep 28, 2012	Mar 2007	-	657	0.1	70	1,955.40	1,403.63	1	71.8
A82	Alba Noritake Shinmachi	Nagoya, Aichi	Sep 28, 2012	Nov 2006	-	608	0.1	64	1,731.68	1,623.28	1	93.7
A83	Revest Meieki Minami	Nagoya, Aichi	Sep 28, 2012	Feb 2007	-	597	0.1	61	1,634.60	1,369.89	1	83.8
A84	Revest Heian	Nagoya, Aichi	Sep 28, 2012	Nov 2006	-	595	0.1	40	1,554.03	1,529.03	1	98.4
A85	Vendir Hamaotsu Ekimae	Otsu, Shiga	Sep 28, 2012	Feb 2007	-	581	0.1	81	2,670.66	2,528.41	1	94.7
A86	Salvo Sala	Osaka, Osaka	Sep 28, 2012	Jan 2007	-	544	0.1	54	1,428.12	1,267.02	1	88.7
A87	Excellente Kagurazaka	Shinjuku-ku, Tokyo	Sep 28, 2012	Jan 2007	-	543	0.1	33	701.92	597.64	1	85.1
A88	Luna Court Edoberi	Osaka, Osaka	Sep 28, 2012	Feb 2004	-	525	0.1	50	1,185.50	1,138.36	1	96.0
A89	Wintage Kobe Motomachi	Kobe, Hyogo	Sep 28, 2012	May 2007	-	512	0.1	57	1,433.35	1,356.27	1	94.6
A90	Queen's Court Fukuzumi	Koto-ku, Tokyo	Sep 28, 2012	Sep 2006	-	456	0.1	25	765.18	712.60	1	93.1
A91	Corp Higashinotoin	Kyoto, Kyoto	Sep 28, 2012	Feb 2004	-	446	0.1	42	1,029.05	982.56	1	95.5
A92	Belair Oimachi	Shinagawa-ku, Tokyo	Sep 28, 2012	Apr 2006	-	412	0.1	26	530.60	492.80	1	92.9
A93	Siete Minami-Tsukaguchi	Amagasaki, Hyogo	Sep 28, 2012	Jan 2007	-	374	0.1	40	1,020.86	969.72	1	95.0
A94	Prime Life Sannomiyama Isogami Koen	Kobe Hyogo	Sep 28, 2012	Nov 2006	-	373	0.1	32	789.12	789.12	1	100.0
A95	HERMITAGE NANBA WEST	Osaka, Osaka	Sep 28, 2012	Dec 2006	-	355	0.1	21	992.76	992.76	1	100.0
A96	Century Park Shinkawa 1-bankan	Nagoya, Aichi	Sep 28, 2012	Sep 2001	-	335	0.1	44	1,477.62	1,376.82	1	93.2

(Note 1) "Property number" refers to the asset owned by INV, classifying the residential asset as A, the office / commercial facility as B, the parking lot as C, the hotel as D according to the use of each property. The numbers with A, B, C, and D indicate the order of acquisition dates and properties with the same acquisition date are arranged in the order of acquisition price

(Note 2) "Acquisition price" indicates the purchase price stated in real estate sales contract or trust beneficiary rights transfer agreement etc. In addition, the price does not include consumption tax, etc., and it discards less than 1 million yen. Acquisition price of "Sheraton Grande Tokyo Bay Hotel" is calculated by applying 178,458 units of preferred equity interest contribution by INV (equivalent to 49.0% of preferred equity interest) to the JV TMK which owns the trust beneficiary interest of the Sheraton Grande Tokyo Bay Hotel as an underlying asset. For "The Westin Grand Cayman Seven Mile Beach Resort & Spa" and "Sunshine Suites Resort", the book values as of May 9, 2019 when INV acquired the leasehold interest of the hotels directly is deemed the acquisition price of these properties, which are calculated using an exchange rate of USD1 = JPY110.45 fixed by the foreign exchange forward contract executed on July 26, 2018 denominated in Japanese Yen

(Note 3) "Investment ratio" is the ratio to the total acquisition price of INV, rounded down to the second decimal place

(Note 4) "Rentable units" includes shops, offices and etc. which are counted as one unit by each compartment

(Note 5) For "The Westin Grand Cayman Seven Mile Beach Resort & Spa" and "Sunshine Suites Resort", the area subject to management contract are indicated

(Note 6) Construction period for conversion (conversion of zoning) is indicated.

# Portfolio Properties (2/4)

Property Number (Note 1)	Property Name	Address	Acquisition Date	Completion Date	Renovation Period (Hotel only)	Acquisition Price (JP Y mn) (Note 2)	Investment Ratio (%) (Note 3)	Rentable Unit (Note 4)	Leasable Area (m <sup>2</sup> ) (Note 5)	Leased Area (m <sup>2</sup> ) (Note 5)	Total Number of Tenants	Occupancy Rate (%)	
A97	West Avenue	Kunitachi, Tokyo	Sep 28, 2012	Oct 1991	-	331	0.1	40	794.80	755.04	1	95.0	
A98	Little River Honmachibashi	Okasa, Osaka	Sep 28, 2012	Jun 2007	-	310	0.1	31	974.81	974.81	1	100.0	
A99	Prime Life Mikage	Kobe, Hyogo	Sep 28, 2012	Jan 2007	-	297	0.1	28	761.18	761.18	1	100.0	
A100	City Court Kitaichijo	Sapporo, Hokkaido	Jul 16, 2015	Nov 2007	-	1,683	0.3	82	2,940.20	2,881.96	1	98.0	
A102	Lieto Court Nishi-Ojima	Koto-ku, Tokyo	Jul 16, 2015	Feb 2008	-	1,634	0.3	91	2,048.28	1,935.16	1	94.5	
A103	Royal Parks Momozaka	Okasa, Osaka	Jan 22, 2016	Jun 2007	-	2,910	0.6	147	8,776.26	8,301.32	1	94.6	
A104	Royal Parks Shinden	Adachi-ku, Tokyo	Mar 31, 2016	Jun 2007	-	5,024	1.0	248	15,797.29	15,797.29	1	100.0	
A106	Royal Parks Seasir Minami-Senju	Arakawa-ku, Tokyo	Mar 14, 2017	Aug 2006	-	2,683	0.5	113	6,496.86	6,060.25	1	93.3	
	Subtotal of Residential						46,507	9.3	3,252	108,572.68	103,579.61	54	95.4
B17	Lexington Plaza Hachiman	Sendai, Miyagi	Feb 1, 2010	Dec 2005	-	3,280	0.7	18	8,419.15	8,063.81	1	95.8	
B18	AEON TOWN Sukagawa	Sukagawa, Fukushima	Feb 1, 2010	Oct 2005	-	2,320	0.5	1	18,440.58	18,440.58	1	100.0	
	Subtotal of Commercial Facilities						5,600	1.1	19	26,859.73	26,504.39	2	98.7
D01	Hotel MyStays Kanda	Chiyoda-ku, Tokyo	May 23, 2014	Dec 2005	May-Aug 2016	2,851	0.6	126	2,585.72	2,585.72	1	100.0	
D02	Hotel MyStays Asakusa	Sumida-ku, Tokyo	May 23, 2014	Jan 1990	2012 Nov-2012 Dec	2,584	0.5	161	3,327.38	3,327.38	1	100.0	
D03	Hotel MyStays Kyoto-Shijo	Kyoto, Kyoto	Jul 17, 2014	Jan 2008	May-Jul 2018	6,024	1.2	225	7,241.51	7,241.51	1	100.0	
D04	MyStays Shin-Urayasu Conference Center	Urayasu, Chiba	Jul 17, 2014	Mar 2009	Feb-Mar, May 2018	4,930	1.0	175	6,232.30	6,232.30	1	100.0	
D05	Hotel MyStays Maihama	Urayasu, Chiba	Jul 17, 2014	Jun 2005	Jan-Apr, May-Jun 2018	4,870	1.0	90	2,456.36	2,456.36	1	100.0	
D06	Hotel MyStays Premier Dojima	Osaka, Osaka	Jul 17, 2014	Aug 1990	2018 Jan-2018 Mar, 2018	3,845	0.8	153	9,445.32	9,445.32	1	100.0	
D07	Hotel MyStays Nagoya-Sakae	Nagoya, Aichi	Jul 17, 2014	Nov 1979	Apr-Jun 2013	2,958	0.6	279	9,064.71	9,064.71	1	100.0	
D08	Hotel MyStays Sakaisuji-Honmachi	Osaka, Osaka	Jul 17, 2014	Jul 2008	-	2,514	0.5	191	4,188.83	4,188.83	1	100.0	
D09	Hotel MyStays Yokohama	Yokohama, Kanagawa	Jul 17, 2014	Oct 1974	Jun-Nov 2006, May-Jul	2,119	0.4	194	7,379.43	7,379.43	1	100.0	
D10	Hotel MyStays Nippori	Arakawa-ku, Tokyo	Jul 17, 2014	Apr 1987	Feb-Mar 2011	1,898	0.4	93	1,719.29	1,719.29	1	100.0	
D11	Hotel MyStays Fukuoka-Tenjin-Minami	Fukuoka, Fukuoka	Jul 17, 2014	Feb 2008	-	1,570	0.3	178	3,412.71	3,412.71	1	100.0	
D12	Flexstay Inn Iidabashi	Shinjuku-ku, Tokyo	Jul 17, 2014	Dec 1990	-	1,381	0.3	62	2,953.38	2,953.38	1	100.0	
D13	Hotel MyStays Ueno Inaricho	Taito-ku, Tokyo	Jul 17, 2014	Dec 1986	Nov-Dec 2012	1,331	0.3	72	1,150.76	1,150.76	1	100.0	
D14	Flexstay Inn Shinagawa	Shinagawa-ku, Tokyo	Jul 17, 2014	Oct 1986	2011 Nov-2011 Dec	1,242	0.2	55	1,134.52	1,134.52	1	100.0	
D15	Flexstay Inn Tokiwadai	Itabashi-ku, Tokyo	Jul 17, 2014	Dec 1989	Mar 2013	1,242	0.2	130	2,539.75	2,539.75	1	100.0	
D16	Flexstay Inn Sugamo	Toshima-ku, Tokyo	Jul 17, 2014	Jan 1992	Mar 2013	1,192	0.2	105	2,089.86	2,089.86	1	100.0	
D17	Hotel MyStays Otemae	Osaka, Osaka	Jul 17, 2014	Dec 1986	Dec 2012-Jan 2013	1,192	0.2	112	4,956.66	4,956.66	1	100.0	
D18	Hotel MyStays Kiyosumi Shirakawa	Koto-ku, Tokyo	Jul 17, 2014	May 1992	Jun-Sep 2019	749	0.1	58	2,673.64	2,673.64	1	100.0	
D19	Flexstay Inn Nakanobu P1	Shinagawa-ku, Tokyo	Jul 17, 2014	Sep 1986	-	589	0.1	39	770.56	770.56	1	100.0	
D20	Flexstay Inn Nakanobu P2	Shinagawa-ku, Tokyo	Jul 17, 2014	Mar 1989	-	283	0.1	22	391.49	391.49	1	100.0	
D21	APA Hotel Yokohama-Kannai	Yokohama, Kanagawa	Feb 6, 2015	Apr 2005	Sep-Dec 2017	8,350	1.7	452	6,568.51	6,568.51	1	100.0	
D22	Hotel MyStays Hakodate-Goryokaku	Hakodate, Hokkaido	Feb 6, 2015	Feb 2008	Feb-Apr 2018	2,792	0.6	211	7,961.26	7,961.26	1	100.0	
D23	Flexstay Inn Shirogane	Minato-ku, Tokyo	Feb 6, 2015	Dec 1984	Mar 2013	2,119	0.4	84	1,754.06	1,754.06	1	100.0	
D24	Hotel MyStays Haneda	Ota-ku, Tokyo	Jul 16, 2015	Apr 2001	Nov 2013-Aug 2014	7,801	1.6	174	5,400.16	5,400.16	1	100.0	
D25	Hotel MyStays Kameido P1	Koto-ku, Tokyo	Jul 16, 2015	Mar 1991	Jan-Mar 2012	5,594	1.1	266	4,349.67	4,349.67	1	100.0	
D26	Hotel MyStays Ueno Iriyaguchi	Taito-ku, Tokyo	Jul 16, 2015	Nov 1985	Jan-Mar 2014	3,821	0.8	97	2,247.92	2,247.92	1	100.0	
D27	Hotel MyStays Kameido P2	Koto-ku, Tokyo	Jul 16, 2015	Mar 1991	Jan-Mar 2013	3,742	0.7	177	2,793.99	2,793.99	1	100.0	
D28	Hotel MyStays Shimizu	Shizuoka, Shizuoka	Jul 16, 2015	Jan 2007	Feb-Mar 2019	2,198	0.4	152	3,559.81	3,559.81	1	100.0	
D29	Super Hotel Shinbashi/ Karasumoriguchi	Minato-ku, Tokyo	Jul 16, 2015	Feb 2008	Oct-Dec 2018	1,624	0.3	74	1,403.89	1,403.89	1	100.0	
D30	Flexstay Inn Higashi-Jujo	Kita-ku, Tokyo	Jul 16, 2015	Jun 1986	Mar 2013	1,277	0.3	89	1,714.53	1,714.53	1	100.0	
D31	Hotel MyStays Utsunomiya	Utsunomiya, Tochigi	Jul 16, 2015	Jan 1990	Nov 2013-Jan 2014	1,237	0.2	125	11,733.23	11,733.23	1	100.0	
D32	Flexstay Inn Kawasaki-Kaizuka	Kawasaki, Kanagawa	Jul 16, 2015	Apr 1990	Jan-Mar 2014	980	0.2	64	1,190.57	1,190.57	1	100.0	
D33	Comfort Hotel Toyama	Toyama, Toyama	Jul 16, 2015	Mar 2007	-	979	0.2	150	3,305.64	3,305.64	1	100.0	
D34	Flexstay Inn Kawasaki-Ogawacho	Kawasaki, Kanagawa	Jul 16, 2015	Apr 1989	Feb-Mar 2014	906	0.2	62	725.60	725.60	1	100.0	

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(Note 2) "Acquisition price" indicates the purchase price stated in real estate sales contract or trust beneficiary rights transfer agreement etc. In addition, the price does not include consumption tax, etc., and it discards less than 1 million yen. Acquisition price of "Sheraton Grande Tokyo Bay Hotel" is calculated by applying 178,458 units of preferred equity interest contribution by INV (equivalent to 49.0% of preferred equity interest) to the JV TMK which owns the trust beneficiary interest of the Sheraton Grande Tokyo Bay Hotel as an underlying asset. For "The Westin Grand Cayman Seven Mile Beach Resort & Spa" and "Sunshine Suites Resort", the book values as of May 9, 2019 when INV acquired the leasehold interest of the hotels directly is deemed the acquisition price of these properties, which are calculated using an exchange rate of USD1 = JPY110.45 fixed by the foreign exchange forward contract executed on July 26, 2018 denominated in Japanese Yen

(Note 3) "Investment ratio" is the ratio to the total acquisition price of INV, rounded down to the second decimal place

(Note 4) "Rentable units" includes shops, offices and etc. which are counted as one unit by each compartment

(Note 5) For "The Westin Grand Cayman Seven Mile Beach Resort & Spa" and "Sunshine Suites Resort", the area subject to management contract are indicated

(Note 6) Construction period for conversion (conversion of zoning) is indicated.

# Portfolio Properties (3/4)

Property Number (Note 1)	Property Name	Address	Acquisition Date	Completion Date	Renovation Period (Hotel only)	Acquisition Price (JP Y mn) (Note 2)	Investment Ratio (%) (Note 3)	Rentable Unit (Note 4)	Leasable Area (m <sup>2</sup> ) (Note 5)	Leased Area (m <sup>2</sup> ) (Note 5)	Total Number of Tenants	Occupancy Rate (%)
D35	Flexstay Inn Ekoda	Nerima-ku, Tokyo	Aug 28, 2015	Jan 1989	Jan-Mar 2013	5,069	1.0	210	3,932.93	3,932.93	1	100.0
D36	Super Hotel Tokyo-JR Tachikawa Kitaguchi	Tachikawa, Tokyo	Aug 28, 2015	Nov 2007	Mar 2018	1,170	0.2	96	1,832.97	1,832.97	1	100.0
D37	Super Hotel JR Ueno-iri-aguchi	Taito-ku, Tokyo	Aug 28, 2015	Mar 2006	-	1,130	0.2	69	1,279.16	1,279.16	1	100.0
D38	Hotel MyStays Shinsaibashi	Osaka, Osaka	Jan 22, 2016	Sep 1984	Jan-Mar 2015	3,160	0.6	57	1,942.01	1,942.01	1	100.0
D39	Comfort Hotel Kurosaki	Kitakyusyu, Fukuoka	Jan 22, 2016	Feb 2009	-	1,148	0.2	151	3,207.60	3,207.60	1	100.0
D40	Comfort Hotel Maebashi	Maebashi, Gunma	Jan 22, 2016	Mar 2009	-	1,128	0.2	154	3,660.96	3,660.96	2	100.0
D41	Comfort Hotel Tsubamesanjo	Sanjyo, Niigata	Jan 22, 2016	Jun 2007	-	1,010	0.2	133	3,099.90	3,099.90	2	100.0
D42	Comfort Hotel Kitami	Kitami, Hokkaido	Jan 22, 2016	Mar 2008	-	851	0.2	127	3,009.50	3,009.50	1	100.0
D43	Hotel MyStays Gotanda Station	Shinagawa-ku, Tokyo	Mar 31, 2016	Mar 1974, Aug 1984	Mar-Nov 2015, Jun-Oct 2017	26,523	5.3	386	10,137.88	10,137.88	1	100.0
D44	Hotel Epinard Nasu	Nasu-gun, Tochigi	Mar 31, 2016	Feb 1992, Jun 1995	Apr-Jun 2014, Jan-Apr 2015, Jan-Jul 2017, Jan-Feb 2020	20,981	4.2	310	37,702.33	37,702.33	1	100.0
D45	Hotel MyStays Fukuoka Tenjin	Fukuoka, Fukuoka	Mar 31, 2016	Aug 2008	Jan-May 2020	8,059	1.6	218	5,083.06	5,083.06	1	100.0
D46	Hotel MyStays Hamamatsucho	Minato-ku, Tokyo	Mar 31, 2016	Oct 2008	Jan-Mar 2020	7,959	1.6	105	1,951.90	1,951.90	1	100.0
D47	Hotel MyStays Premier Kanazawa	Kanazawa, Ishikawa	Jun 15, 2016	Oct 2014	-	13,761	2.7	261	13,250.03	13,250.03	1	100.0
D48	Takamatsu Tokyu REI Hotel	Takamatsu, Kagawa	Jun 15, 2016	Apr 1982	Jan 2016, Dec 2016, Dec 2017-Jan 2018, Dec 2018	2,139	0.4	193	7,148.17	6,847.11	2	95.8
D49	Hotel MyStays Premier Hamamatsucho	Minato-ku, Tokyo	May 29, 2017	Jun 1994	Aug-Nov 2016	8,000	1.6	134	6,151.93	6,151.93	1	100.0
D50	Hotel MyStays Shin Osaka Conference Center	Osaka, Osaka	Oct 13, 2017	Jun 1974	Nov 2015-Mar 2016	13,068	2.6	397	13,026.99	13,026.99	1	100.0
D51	Hotel MyStays Premier Omori	Shinagawa-ku, Tokyo	Oct 13, 2017	Feb 1995	Aug -Nov 2016	9,781	1.9	256	11,849.61	11,849.61	1	100.0
D52	Beppu Kameno-i Hotel	Beppu, Oita	Oct 13, 2017	May 1997	May-Jul 2015	8,870	1.8	323	19,422.08	19,422.08	1	100.0
D53	Hotel MyStays Sapporo Station	Sapporo, Hokkaido	Oct 13, 2017	Oct 2007	Oct-Dec 2019, Mar-May 2020	7,880	1.6	243	7,267.88	7,267.88	1	100.0
D54	Hotel MyStays Yokohama Kannai	Yokohama, Kanagawa	Feb 7, 2018	Aug 2016	-	5,326	1.1	166	4,501.18	4,501.18	1	100.0
D55	Art Hotel Joetsu	Joetsu, Niigata	Feb 7, 2018	Nov 1993	-	2,772	0.6	198	7,563.60	7,563.60	1	100.0
D56	Art Hotel Hirotsaki City	Hirotsaki, Aomori	Feb 7, 2018	Aug 1989	Mar 2008	2,723	0.5	158	14,826.30	14,826.30	1	100.0
D57	Hotel MyStays Oita	Oita, Oita	Feb 7, 2018	Jul 2007	-	1,604	0.3	145	3,254.69	3,254.69	1	100.0
D58	Hotel MyStays Gotanda	Shinagawa-ku, Tokyo	Jun 27, 2018	Jun 1988	Aug 2016	4,068	0.8	110	1,839.77	1,839.77	1	100.0
D59	Hotel MyStays Tachikawa	Tachikawa-shi, Tokyo	Jun 27, 2018	May 1991	Apr-Jun 2016	3,257	0.6	123	3,844.64	3,844.64	1	100.0
D60	Hotel MyStays Premier Akasaka	Minato-ku, Tokyo	Aug 2, 2018	Jun 2016	-	20,691	4.1	328	8,620.69	8,620.69	1	100.0
D61	Hotel MyStays Premier Sapporo Park	Sapporo-shi, Hokkaido	Aug 2, 2018	Mar 1998	Nov 2017-Apr 2018	16,731	3.3	419	21,670.64	21,670.64	1	100.0
D62	Hotel MyStays Ueno East	Taito-ku, Tokyo	Aug 2, 2018	Sep 1991	Dec 2015-May 2016	5,286	1.1	150	4,396.02	4,396.02	1	100.0
D63	Hotel MyStays Midotsuji Honnachi	Osaka-shi, Osaka	Aug 2, 2018	Oct 2017	-	5,039	1.0	108	3,429.43	3,429.43	1	100.0
D64	Hotel MyStays Sapporo Aspen	Sapporo, Hokkaido	Jul 19, 2019	Dec 1995	Mar-Jun 2017	15,543	3.1	307	15,313.17	15,313.17	1	100.0
D65	Art Hotel Ishigakijima	Ishigaki, Okinawa	Jul 19, 2019	Jan 1984	Oct 2016-May 2017	9,731	1.9	245	17,247.54	17,247.54	1	100.0
D66	Hotel MyStays Fuji Onsen Resort	Fujiyoshida, Yamanashi	Jul 19, 2019	Nov 2016	-	9,405	1.9	159	5,498.49	5,498.49	1	100.0
D67	Hotel Sonia Otaru	Otaru, Hokkaido	Jul 19, 2019	Apr 1992, Mar 1998, Nov 2018	Oct 2016-May 2017	5,930	1.2	149	6,509.41	6,509.41	1	100.0
D68	Hotel MyStays Kanazawa Castle	Kanazawa, Ishikawa	Jul 19, 2019	Jun 1982, Feb 1991, Jan 1997	Nov 2015-Mar 2016	5,682	1.1	209	5,931.84	5,931.84	1	100.0
D69	Art Hotel Niigata Station	Niigata, Niigata	Jul 19, 2019	Apr 1985	May-Aug 2007	5,524	1.1	304	10,403.01	10,403.01	1	100.0
D70	Hotel MyStays Nagoya Nishiki	Nagoya, Aichi	Jul 19, 2019	Mar 1974	May 2017-Jul 2018	5,197	1.0	172	6,077.99	6,077.99	1	100.0
D71	Hotel Nord Otaru	Otaru, Hokkaido	Jul 19, 2019	Mar 1996	Nov 2016-Apr 2017	4,296	0.9	98	6,047.43	6,047.43	1	100.0

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(Note 6) Construction period for conversion (conversion of zoning) is indicated.



Property Number (Note 1)	Property Name	Address	Acquisition Date	Completion Date	Renovation Period (Hotel only)	Acquisition Price (JP Y mn) (Note 2)	Investment Ratio (%) (Note 3)	Rentable Unit (Note 4)	Leasable Area (m <sup>2</sup> ) (Note 5)	Leased Area (m <sup>2</sup> ) (Note 5)	Total Number of Tenants	Occupancy Rate (%)
D72	Hotel MyStays Kagoshima Tenmonkan	Kagoshima, Kagoshima	Jul 19, 2019	Sep 1990	Jan-Apr 2018	3,445	0.7	197	7,659.55	7,659.55	2	100.0
D73	Art Hotel Asahikawa	Asahikawa, Hokkaido	Jul 19, 2019	Oct 1987	Dec 2017-Jan 2018	3,197	0.6	266	25,131.84	25,131.84	1	100.0
D74	Hotel MyStays Matsuyama	Matsuyama, Ehime	Jul 19, 2019	Jul 2000	May-Jul 2018	3,098	0.6	163	8,274.37	8,274.37	1	100.0
D75	Hotel MyStays Sapporo Susukino	Sapporo, Hokkaido	Jul 19, 2019	May 1981	Apr-Jul 2018	3,059	0.6	105	2,853.26	2,853.26	1	100.0
D76	Hotel MyStays Sapporo Nakajima Park	Sapporo, Hokkaido	Jul 19, 2019	Feb 1991	Jan-May 2016	2,118	0.4	86	5,473.41	5,473.41	1	100.0
D77	Hotel MyStays Sapporo Nakajima Park Annex	Sapporo, Hokkaido	Jul 19, 2019	Sep 1991	Mar-Jun 2017	1,584	0.3	80	1,775.21	1,775.21	1	100.0
D78	Flexstay Inn Sakuragicho	Yokohama, Kanagawa	Jul 19, 2019	Nov 1991	Jul-Sep 2016	1,425	0.3	70	1,308.61	1,308.61	1	100.0
D79	MyCUBE by MYSTAYS Asakusa Kuramae	Taito-ku, Tokyo	Jul 19, 2019	Sep 1991	Nov 2015-May 2016 (Note 6)	1,287	0.3	162	2,156.70	2,156.70	1	100.0
D80	Hotel MyStays Kagoshima Tenmonkan Annex	Kagoshima, Kagoshima	Jul 19, 2019	Feb 1985	Feb-Apr 2018	1,168	0.2	74	2,047.70	2,047.70	1	100.0
D81	Hotel MyStays Nayoro	Nayoro, Hokkaido	Jul 19, 2019	Nov 2014	-	957	0.2	70	1,985.27	1,985.27	1	100.0
D82	Hotel MyStays Premier Narita	Narita, Chiba	Jan 6, 2020	May 1985	Aug 2017-Jan 2018	10,593	2.1	713	36,519.70	36,519.70	1	100.0
D83	Art Hotel Morioka	Morioka, Iwate	Jan 6, 2020	Mar 1981	Dec 2018-Apr 2019	5,643	1.1	217	16,727.08	16,727.08	1	100.0
D200	Westin Grand Cayman Seven Mile Beach Resort & Spa	Grand Cayman	May 9, 2019	1994	May 2016-Oct 2017	30,061	6.0	345	21,528.23	21,528.23	1	100.0
D201	Sunshine Suites Resort	Grand Cayman	May 9, 2019	1999	2016 Oct	5,842	1.2	131	6,723.11	6,723.11	1	100.0
-	Sheraton Grande Tokyo Bay Hotel (preferred equity interest)	Urayasu-shi, Chiba	Oct 13, 2017	Mar 1988	Sep 2014-Jul 2015	17,845	3.5	-	-	-	-	-
	Subtotal of Hotels					450,609	89.6	14,747	572,519.79	572,218.73	89	99.9
	Total					502,717	100.0	18,018	707,952.20	702,302.73	145	99.2

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(Note 6) Construction period for conversion (conversion of zoning) is indicated.



## Borrowings

Name	Lender	Borrowing Amount (JPY million)	Fixed / Floating	Interest Rate	Borrowing Date	Maturity Date
New Syndicate Loan (G)	Mizuho Bank, Ltd. Resona Bank, Limited The Bank of Fukuoka, Ltd. The Nomura Trust and Banking Co., Ltd. AEON Bank, Ltd. The Towa Bank, Ltd. The Shizuoka Bank, Ltd. The Dai-ichi Life Insurance Company, Limited The Gunma Bank, Ltd.	4,750	Floating interest rate	JPY 1 month TIBOR +0.60000%	March 14, 2017	March 14, 2022
Term Loan (G)	Mizuho Bank, Ltd. The Dai-ichi Life Insurance Company, Limited	7,164	Floating interest rate	JPY 1 month TIBOR +0.55000%	May 29, 2017	November 29, 2021
New Syndicate Loan (H)	Shinsei Bank, Limited Citibank, N.A.,Tokyo Branch Resona Bank, Limited The Bank of Fukuoka, Ltd. AEON Bank, Ltd. The Nomura Trust and Banking Co., Ltd. The Hiroshima Bank, Ltd.	1,867	Floating interest rate	JPY 1 month TIBOR +0.40000%	October 13, 2017	October 13, 2021
	Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited Citibank, N.A.,Tokyo Branch Resona Bank, Limited Development Bank of Japan, Inc. The Bank of Fukuoka, Ltd. AEON Bank, Ltd. The Nomura Trust and Banking Co., Ltd. The Hiroshima Bank, Ltd. The Dai-ichi Life Insurance Company, Limited	5,365	Floating interest rate	JPY 1 month TIBOR +0.60000%	October 13, 2017	October 13, 2022
	Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Sumitomo Mitsui Banking Corporation	3,565	Floating interest rate	JPY 1 month TIBOR +0.70000%	October 13, 2017	October 13, 2023
	Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Sumitomo Mitsui Banking Corporation	3,560	Floating interest rate	JPY 1 month TIBOR +0.80000%	October 13, 2017	October 11, 2024

(Note 1) These are borrowings with floating interest rates, but the interest rates are fixed through interest rate swap agreements. The interest rates in consideration of swaps are stated.

(Note 2) Borrowing amount is rounded down to indicated unit.

# Borrowings and Investment Corporation Bonds (2/7) \*As of August 25, 2021

Name	Lender	Borrowing Amount (JPY million)	Fixed / Floating	Interest Rate	Borrowing Date	Maturity Date
Term Loan (H)	MUFG Bank, Ltd. Shinsei Bank, Limited	1,500	Fixed interest rate (swap)	0.74950% <sup>1</sup>	June 27, 2018	June 27, 2023
New Syndicate Loan (I)	Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation	9,660	Floating interest rate	JPY 1 month TIBOR +0.40000%	July 17, 2018	July 17, 2022
	Sumitomo Mitsui Trust Bank, Limited Shinsei Bank, Limited Citibank, N.A.,Tokyo Branch	9,659	Floating interest rate	JPY 1 month TIBOR +0.50000%	July 17, 2018	July 14, 2023
New Syndicate Loan (J)	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited	10,761	Floating interest rate	JPY 1 month TIBOR +0.30000%	September 26, 2018	September 26, 2021
	Shinsei Bank, Limited Citibank, N.A.,Tokyo Branch Development Bank of Japan, Inc.	13,120	Floating interest rate	JPY 1 month TIBOR +0.40000%	September 26, 2018	September 26, 2022
	Resona Bank, Limited The Nomura Trust and Banking Co., Ltd. AEON Bank, Ltd.	13,119	Floating interest rate	JPY 1 month TIBOR +0.50000%	September 26, 2018	September 26, 2023
Term Loan (I)	Sumitomo Mitsui Trust Bank, Limited MUFG Bank, Ltd.	4,250	Fixed interest rate (swap)	0.37250% <sup>1</sup>	January 22, 2019	January 22, 2022
New Syndicate Loan (K)	Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Shinsei Bank, Limited Resona Bank, Limited Development Bank of Japan, Inc. The Bank of Fukuoka, Ltd. The Shizuoka Bank, Ltd. The Nomura Trust and Banking Co., Ltd. The Senshu Ikeda Bank, Ltd	7,922	Fixed interest rate (swap)	0.36100% <sup>1</sup>	March 29, 2019	March 29, 2022
	Aozora Bank, Ltd The Nishi-Nippon City Bank, Ltd. The Tochigi Bank, Ltd.	2,401	Fixed interest rate (swap)	0.59400% <sup>1</sup>	March 29, 2019	March 29, 2024
	Kiraboshi Bank, Ltd.	961	Floating interest rate	JPY 1 month TIBOR +0.80000%	March 29, 2019	March 29, 2029
Term Loan (J)	Citibank, N.A.,Tokyo Branch	1,000	Fixed interest rate (swap)	0.34000% <sup>1</sup>	June 17, 2019	June 17, 2022
Term Loan (K)	Development Bank of Japan, Inc.	1,000	Fixed interest rate (swap)	0.33433% <sup>1</sup>	June 28, 2019	June 17, 2022

(Note 1) These are borrowings with floating interest rates, but the interest rates are fixed through interest rate swap agreements. The interest rates in consideration of swaps are stated.

(Note 2) Borrowing amount is rounded down to indicated unit.

# Borrowings and Investment Corporation Bonds (3/7) \*As of August 25, 2021

Name	Lender	Borrowing Amount (JPY million)	Fixed / Floating	Interest Rate	Borrowing Date	Maturity Date
New Syndicate Loan (M)	Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Shinsei Bank, Limited Citibank, N.A., Tokyo Branch Resona Bank, Limited.	5,796	Fixed interest rate (swap)	0.40000% <sup>1</sup>	July 16, 2019	January 16, 2023
	Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Shinsei Bank, Limited Citibank, N.A., Tokyo Branch Resona Bank, Limited.	5,796	Fixed interest rate (swap)	0.49859% <sup>1</sup>	July 16, 2019	January 16, 2024
	Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Shinsei Bank, Limited Citibank, N.A., Tokyo Branch	5,796	Fixed interest rate (swap)	0.56310% <sup>1</sup>	July 16, 2019	July 16, 2024
	Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Shinsei Bank, Limited	5,796	Floating interest rate	JPY 1 month TIBOR +0.55000%	July 16, 2019	January 16, 2025
	Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Shinsei Bank, Limited	5,795	Floating interest rate	JPY 1 month TIBOR +0.70000%	July 16, 2019	July 16, 2025
New Syndicate Loan (L)	Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Citibank, N.A., Tokyo Branch, Development Bank of Japan Inc., AEON Bank, Ltd., The Nomura Trust and Banking Co., Ltd.	4,943	Fixed interest rate (swap)	0.41326% <sup>1</sup>	July 19, 2019	January 16, 2023
	Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Citibank, N.A., Tokyo Branch, Development Bank of Japan Inc., AEON Bank, Ltd., Aozora Bank, Ltd., The Nomura Trust and Banking Co., Ltd.	4,805	Fixed interest rate (swap)	0.52473% <sup>1</sup>	July 19, 2019	January 16, 2024
	Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Citibank, N.A., Tokyo Branch, Development Bank of Japan Inc., AEON Bank, Ltd., Aozora Bank, Ltd., The Nomura Trust and Banking Co., Ltd.	4,943	Fixed interest rate (swap)	0.57984% <sup>1</sup>	July 19, 2019	July 16, 2024

(Note 1) These are borrowings with floating interest rates, but the interest rates are fixed through interest rate swap agreements. The interest rates in consideration of swaps are stated.

(Note 2) Borrowing amount is rounded down to indicated unit.

# Borrowings and Investment Corporation Bonds (4/7) \*As of August 25, 2021

Name	Lender	Borrowing Amount (JPY million)	Fixed / Floating	Interest Rate	Borrowing Date	Maturity Date
New Syndicate Loan (L)	Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Development Bank of Japan Inc., AEON Bank, Ltd., Aozora Bank, Ltd., The Nomura Trust and Banking Co., Ltd.	4,943	Floating interest rate	JPY 1 month TIBOR +0.55000%	July 19, 2019	January 16, 2025
		4,942	Floating interest rate	JPY 1 month TIBOR +0.70000%	July 19, 2019	July 16, 2025
Term Loan (L)	Tokyo Star Bank, Limited	700	Floating interest rate	JPY 1 month TIBOR +0.70000%	July 22, 2019	July 16, 2025
New Syndicate Loan (N)	Mizuho Bank, Ltd. The San ju San Bank, Ltd.	3,544	Fixed interest rate (swap)	0.46219% <sup>1</sup>	August 28, 2019	January 16, 2024
New Syndicate Loan (O)	The San ju San Bank, Ltd.	1,700	Fixed interest rate (swap)	0.48590% <sup>1</sup>	October 15, 2019	April 15, 2024
		1,000	Floating interest rate	JPY 1 month TIBOR +0.55000%	October 15, 2019	April 15, 2025
	The Nishi-Nippon City Bank, Ltd.	1,000	Floating interest rate	JPY 1 month TIBOR +0.70000%	October 15, 2019	October 15, 2025
New Syndicate Loan (P)	Sumitomo Mitsui Trust Bank, Limited	1,550	Fixed interest rate (swap)	0.41687% <sup>1</sup>	January 6, 2020	January 6, 2023
	Sumitomo Mitsui Trust Bank, Limited Momiji Bank, Ltd. The Kiyo Bank	4,491	Fixed interest rate (swap)	0.64291% <sup>1</sup>	January 6, 2020	January 6, 2025
New Syndicate Loan (Q)	Mizuho Bank, Ltd. Resona Bank, Limited Development Bank of Japan Inc. The Bank of Fukuoka, Ltd. The Nomura Trust and Banking Co., Ltd. The Shizuoka Bank, Ltd. The Yamaguchi Bank, Ltd.	3,211	Fixed interest rate (swap)	0.48700% <sup>1</sup>	March 16, 2020	March 16, 2025
	MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited The Bank of Fukuoka, Ltd.	2,273	Floating interest rate	JPY 1 month TIBOR +0.30000%	March 30, 2020	March 16, 2023

(Note 1) These are borrowings with floating interest rates, but the interest rates are fixed through interest rate swap agreements. The interest rates in consideration of swaps are stated.

(Note 2) Borrowing amount is rounded down to indicated unit.

# Borrowings and Investment Corporation Bonds (5/7) \*As of August 25, 2021

Name	Lender	Borrowing Amount (JPY million)	Fixed / Floating	Interest Rate	Borrowing Date	Maturity Date
New Syndicate Loan (Q)	Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Shinsei Bank, Limited Resona Bank, Limited The Nomura Trust and Banking Co., Ltd. Aozora Bank, Ltd. The Shizuoka Bank, Ltd. The Kagawa Bank, Ltd. The Yamaguchi Bank, Ltd. The Chukyo Bank, Ltd.	6,921	Floating interest rate	JPY 1 month TIBOR +0.50000%	March 30, 2020	March 16, 2025
Term Loan (M)	Citibank, N.A., Tokyo Branch	1,000	Floating interest rate	JPY 1 month TIBOR +0.25000%	June 15, 2020	June 17, 2022
Term Loan (N)	The Tokyo Star Bank, Limited	600	Floating interest rate	JPY 1 month TIBOR +0.25000%	July 20, 2020	July 20, 2022
Term Loan (P)	Sumitomo Mitsui Banking Corporation	3,000	Floating interest rate	JPY 1 month TIBOR +0.45000%	September 14, 2020	September 14, 2021
New Syndicate Loan (S)	Mizuho Bank, Ltd. Citibank, N.A., Tokyo Branch Shinsei Bank, Limited Resona Bank, Limited. The Nomura Trust and Banking Co., Ltd.	1,539.5	Floating interest rate	JPY 1 month TIBOR +0.25000%	October 13, 2020	October 13, 2021
Term Loan (Q)	Sumitomo Mitsui Banking Corporation	328.5	Floating interest rate	JPY 1 month TIBOR +0.25000%	October 13, 2020	October 13, 2021
Term Loan (R)	Sumitomo Mitsui Banking Corporation	3,400	Floating interest rate	JPY 1 month TIBOR +0.25000%	January 22, 2021	January 22, 2022
Term Loan (S)	MUFG Bank, Ltd.	850	Floating interest rate	JPY 1 month TIBOR +0.25000%	January 22, 2021	January 22, 2022
New Syndicate Loan (T)	Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Shinsei Bank, Limited The Bank of Fukuoka, Ltd. The Nomura Trust and Banking Co., Ltd. The Shizuoka Bank, Ltd.	3,057	Floating interest rate	JPY 1 month TIBOR +0.25000%	March 30, 2021	March 30, 2022

(Note 1) These are borrowings with floating interest rates, but the interest rates are fixed through interest rate swap agreements. The interest rates in consideration of swaps are stated.

(Note 2) Borrowing amount is rounded down to indicated unit.

# Borrowings and Investment Corporation Bonds (6/7) \*As of August 25, 2021

Name	Lender	Borrowing Amount (JPY million)	Fixed / Floating	Interest Rate	Borrowing Date	Maturity Date
New Syndicate Loan (U)	Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Development Bank of Japan Inc.,	3,039	Floating interest rate	JPY 1 month TIBOR +0.25000%	March 30, 2021	March 30, 2022
Term Loan (U)	Citibank, N.A., Tokyo Branch	349	Floating interest rate	JPY 1 month TIBOR +0.25000%	June 15, 2021	June 15, 2022
Term Loan (V)	Resona Bank, Limited.	570	Floating interest rate	JPY 1 month TIBOR +0.25000%	June 30, 2021	December 30, 2021
New Syndicate Loan (V)	Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Mizuho Bank, Ltd. Shinsei Bank, Limited Citibank, N.A., Tokyo Branch Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited.	27,429	Floating interest rate	JPY 1 month TIBOR +0.25000%	July 16, 2021	July 16, 2022
	Mizuho Bank, Ltd. MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Shinsei Bank, Limited Citibank, N.A.,Tokyo Branch	9,660	Floating interest rate	JPY 1 month TIBOR +0.25000%	July 19, 2021	July 16, 2022
	Development Bank of Japan Inc.	666	Floating interest rate	JPY 1 month TIBOR +0.25000%	July 20, 2021	July 16, 2022
	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Shinsei Bank, Limited Citibank, N.A.,Tokyo Branch	2,269	Floating interest rate	JPY 1 month TIBOR +0.25000%	August 2, 2021	July 16, 2022
Term Loan (W)	The Tokyo Star Bank, Limited	1,582	Floating interest rate	JPY 1 month TIBOR +0.35000%	July 20, 2021	July 20, 2024
Subtotal of Short Term Debt		56,157				
Subtotal of Long Term Debt		184,751				
Total Debt		240,908				

(Note 1) These are borrowings with floating interest rates, but the interest rates are fixed through interest rate swap agreements. The interest rates in consideration of swaps are stated.

(Note 2) Borrowing amount is rounded down to indicated unit.



## Investment Corporation Bonds

Name	Issue Date	Issue Amount (JPY million)	Interest	Term	Redemption Date	Rating
1st series unsecured corporate bonds (with pari passu conditions among specified corporate bonds)	May 25, 2018	1,000	0.400% p.a.	5 years	May 25, 2023	A+ (JCR)
2nd series unsecured corporate bonds (with pari passu conditions among specified corporate bonds)	May 25, 2018	1,000	0.800% p.a.	10 years	May 25, 2028	A+ (JCR)
3rd series unsecured corporate bonds (with pari passu conditions among specified corporate bonds)	October 12, 2018	2,000	0.550% p.a.	5 years	October 12, 2023	A+ (JCR)
4th series unsecured corporate bonds (with pari passu conditions among specified corporate bonds)	October 28, 2019	1,000	0.480% p.a.	5 years	October 28, 2024	A+ (JCR)
5th series unsecured corporate bonds (with pari passu conditions among specified corporate bonds)	October 28, 2019	2,000	0.900% p.a.	10 years	October 26, 2029	A+ (JCR)
6th series unsecured corporate bonds (with pari passu conditions among specified corporate bonds)	March 13, 2020	1,200	0.850% p.a.	10 years	March 13, 2030	A+ (JCR)
Total		8,200				

As of December 31, 2020

As of June 30, 2021

## Major Unitholders (TOP 10)

Name	Number of units held	(%)
1 The Master Trust Bank of Japan, Ltd. (trust account)	956,178	15.68
2 Custody BANK of Japan, Ltd. (trust account)	577,733	9.47
3 The Nomura Trust and Banking Co., Ltd. (investment trust account)	286,058	4.69
4 Custody BANK of Japan, Ltd. (security investment trust account)	225,424	3.69
5 STICHTING PGGM DEPOSITARY PGGM LISTED REAL ESTATE PF FUND	224,830	3.68
6 STATE STREET BANK AND TRUST COMPANY 510312	152,589	2.50
7 STATE STREET BANK AND TRUST COMPANY 510311	142,411	2.33
8 THE BANK OF NEW YORK MELLON 140044	136,940	2.24
9 FJODF GP INV HOLDINGS LLC	115,931	1.90
10 NORTHERN TRUST CO. (AVFC) RE MONDRIAN INTERNATIONAL SMALL CAP EQUITY FUND, L.P.	109,427	1.79
<b>Total</b>	<b>2,927,521</b>	<b>48.01</b>

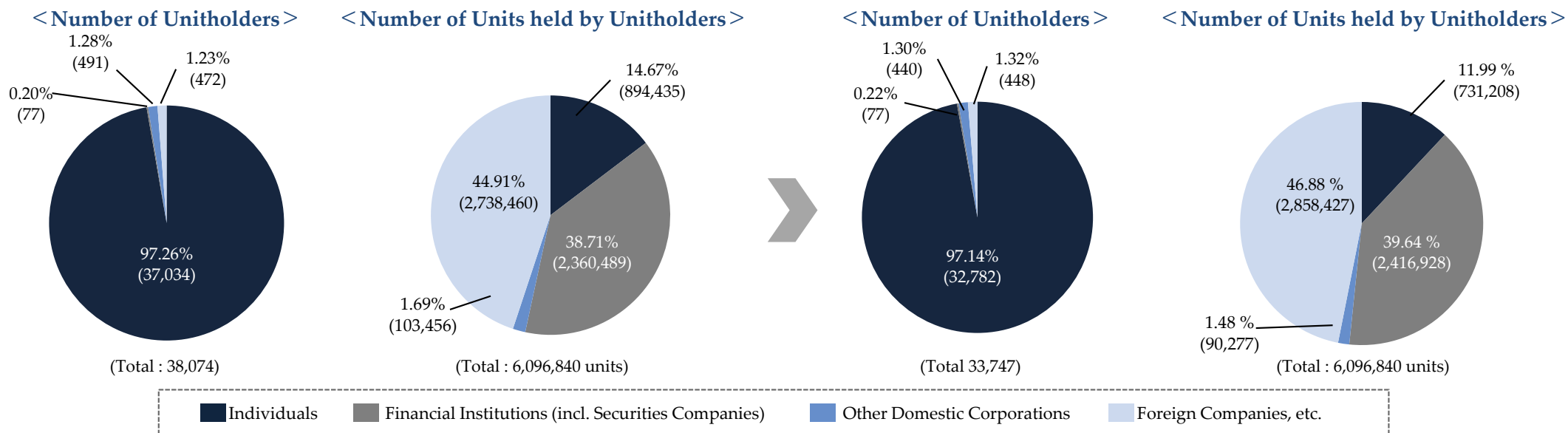
Name	Number of units held	(%)
1 The Master Trust Bank of Japan, Ltd. (trust account)	958,447	15.72
2 Custody BANK of Japan, Ltd. (trust account)	609,079	9.99
3 The Nomura Trust and Banking Co., Ltd. (investment trust account)	258,258	4.23
4 Custody BANK of Japan, Ltd. (security investment trust account)	215,818	3.53
5 DEUTSCHE BANK AG, SINGAPORE A/C CLIENTS (TREATY)	194,900	3.19
6 THE BANK OF NEW YORK MELLON 140044	190,617	3.12
7 SSBTC CLIENT OMNIBUS ACCOUNT	169,549	2.78
8 STICHTING PGGM DEPOSITARY PGGM LISTED REAL ESTATE PF FUND	145,462	2.38
9 FJODF GP INV HOLDINGS LLC	115,931	1.90
10 GOLDMAN SACHS INTERNATIONAL	100,668	1.65
<b>Total</b>	<b>2,958,729</b>	<b>48.52</b>

\*Percentages are rounded down to the second decimal place

Issued investment units: 6,096,840

Issued investment units: 6,096,840

## Unitholders Composition



\*Percentages are rounded down to second decimal place



(Note 1) It shows the change in the price from January 4, 2013 until July 30, 2021

(Note 2) TSE REIT Index has been indexed, assuming the closing price of TSE REIT Index as of January 4, 2013 was the same as the closing price of INV unit on the same day

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